FINANCIAL TIMES

No. 26,149 Friday August 31 1973 ** 6p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.10; BELGIUM Fr.14; DENMARK Kr.2.25; FRANCE Fr.1.50; GERMANY DM1.30; ITALY L.170; NETHERLANDS Fl.1.00; NORWAY Kr.2.50; PORTUGAL Esc.10; SPAIN Pts.20; SWEDEN Kr.2.00; SWITZERLAND Fr.1.20; EIRE 7p.

NEWS SUMMARY

GENERAL

Bomb sets shop ablaze

Fire caused by a bomb explosion in a Birmingham city centre shop led to extensive damage. Two other devices ignited in nearby shops. Another bomb at Baker Street underground station in London was safely defused.

The attacks came as Special Branch and Bomb Squad detectives carried out widespread raids in London and the Midlands, searching homes and questioning the occupants.

In one raid on the Wimbledon home of an Irish family, a red-haired man, aged about 20, escaped down a back alley. The search for the man, who was believed to be armed, continued.

Although yesterday's "flash explosion" at a shoe shop in New Street, Birmingham, came without warning, no one was injured.

The bomb at Baker Street, which weighed 1 lb., was found on a footbridge between platforms.

In Belfast, the RUC warned that it was possible the IRA had acquired OHMS buff envelopes and would use them in its letter-bomb campaign.

Rescue race to mini-sub

The two men trapped in the mini-sub on the ocean bed off the coast of Cork were lying down and not talking to each other in order to save oxygen. Mini-sub Pisces' mother ship, Vickers Voyager, was on the way with two more mini-subs and divers. They hope to attempt the rescue early this morning.

Strike-break move by Chile

Chile's Interior Minister Sr. Carlos Briones decided to revoke the legal status of the Confederation of Lorry Owners whose 35-day strike has upset the economy. Lorries of non-strikers have now been guaranteed police protection. Page 5, Feature, Page 31

Nixon to appeal

President Nixon is to appeal against Washington Judge Sirica's order to hand over tape recordings of his conversations about Watergate with his former White House advisers. Page 5

Cod war flare-up

Iceland strengthened the guard on the British Embassy in Reykjavik fearing demonstrations over the first death in the cod war. The man who died was a second engineer on the Icelandic gunboat Aegir. He was electrocuted while repairing damage caused in a collision with HMS Apollo.

Quake city panic

A violent earthquake, which rocked almost all of Colombia, caused panic in the capital, Bogota, where people rushed into the streets as buildings began to sway.

See Naples—but vaccinated first

Travellers expecting to visit the Naples area are advised by the Department of Health to be vaccinated against cholera because of an outbreak there involving ten cases including deaths. Page 6

Briefly . . .

Sir Hugh Cudlipp, retiring chairman of International Publishing Corporation, signed a contract to undertake documentaries and interviews for ATV. Page 10

British Airways has appointed Mr. Jimmy James to the new post of air safety officer. Page 10

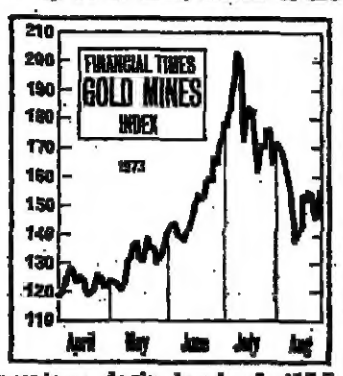
Rembrandt etchings fetched record prices at Phillips. Page

White Paper records ITA's name-change to IBA.

BUSINESS

Equities fail to sustain recovery

● EQUITIES failed to sustain Wednesday's recovery and the FT 30-share index, after being 2.3 up at 10 a.m., closed at the previous day's level of 417.7. The Gold Mines index, however, rose 1.8 to 155.2, a three-day gain of 8.2.



● SOME short-dated gilts edged up 1-16th, but mediums and longs were unchanged.

● GOLD lost $2.25 to $105 an ounce.

● STERLING weighted depreciation from Smithsonian parities was 17.18 per cent. (17.07 on Wednesday).

● WALL STREET closed 0.90 down at 852.53.

● LEGAL AND GENERAL Assurance has agreed terms for a takeover of Cavendish Land in a deal worth £45.1m. Page 23 and Lex

Army & Navy bid cleared

● SHARES of Army and Navy Stores jumped 70p to 648p with the news that the House of Fraser take-over bid will not be investigated by the Monopolies Commission. Page 21

● FORD workers at Cologne went back to work, removing the last remaining centre of unofficial strikes over cost-of-living bonuses which hit German industry two weeks ago. Page 6

● AUSTRALIA is planning legislation to ensure that future large-scale operations are kept in Australian hands. Page 4

● A MAJORITY of Triumph car workers at three Coventry plants have endorsed a wages structure bringing most of them almost £50 a week. Page 21

● COMMITTEE of Public Accounts suggests much tighter Ministry of Defence control in contracts with private industry. Back Page and Page 12

● CONTINGENCY plans for industrial action are being drawn up by the Civil and Public Services Association in support of a claim for special pay increases. Page 21

● UNDER the threat of widespread service station shutdowns over the week-end's Labour Day holiday, the U.S. Cost of Living Council is extending the price freeze on petrol for another six days until Sept. 7.

Trident petrol closes down

● TRIDENT PETROLEUM, an independent cut-price petrol company with 200 outlets, ceased trading yesterday, claiming to have been a victim of the international oil price and supply situation. Back Page

● AS THE EEC studies the U.K. Government grant for Hawker Siddeley's HS-146 short-haul jet airliner, VFW-Fokker, the German-Dutch aerospace group, is complaining that the aircraft will compete in a limited market with its own F-28. Page 6

● MATHER AND PLATT, general engineers, reports half-year profit up by only £3,835 to £1,156,745 on turnover ahead by £4.27m. at £27m. Page 23 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES

Treasury 6½% 1977	£86½	+ 1/16
Army & Navy Stores	648	+ 70
British Anzani	65	+ 3½
Broken Hill Prop.	532	+ 6
Dorety	250	+ 7
Fairclough (L.)	188	+ 7
GR Engineering	186	+ 5
Hill (J)	198	+ 3
Johnson Matthey	422½	+ 9½
Kent (George)	60	+ 6
Lex Fox	268	+ 10
Lex Service Group	92	+ 5
Metropole Inds.	50	+ 5
Swift Inds.	33	+ 3½
Phoenix Timber	130	+ 4
Ransome (E)	125	+ 5
Smith & Simpson 'A'	109½	+ 7½
Stoddard 'A'	92	+ 3½
Sturla (George)	90	+ 5
Thomas Nationwide	158	+ 6
Wilkins & Mitchell	155	+ 13
Youghal Carpets	158	+ 6
Canadian Geothermal	92	+ 7
Woodside-Burmah	119	+ 9
Bougainville	180	+ 6
Broken Hill South	154	+ 9
Buffels	950	+ 30
De Beers Dfd.	380	+ 6
Lonrho	71	+ 6
M.I.M. Holdings	182	+ 8
President Brand	955	+ 25
Western Areas	210	+ 10

FALLS

Aust. & N.Z. Bank	373	− 14
Mather & Platt	86	− 7
Pyke (WJ)	64	− 5
Slough Estates	71½	− 4
Tavener Rutledge	72	− 6
Oil Exploration	101	− 6
British Indian	80	− 5

(FT week indices and FT-Actuaries summary Page 33.)

National Institute opposes easing of price-pay curbs

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

Wage increases under Phase Three of the Government's anti-inflationary policy will have to be kept to the Phase Two formula of £1 plus 4 per cent. if the Government is to secure any deceleration in the rate of inflation, according to the National Institute of Economic and Social Research.

In its August Economic Review, out this morning, the Institute states that to relax prices and incomes controls now "would be a sure prescription for moving a further step towards Latin-American rates of inflation."

The Review maintains that there is mounting evidence that the economy is slowing down of its own accord without excessive pressure on capacity.

The NIESR does not advocate any major policy changes in demand management at this stage, but *envisages a difficult period* on the foreign exchanges before—according to its own forecasts—the balance of payments begins to improve appreciably in the course of 1974.

In these circumstances the Institute—which is independent of the Treasury but uses similar forecasting techniques — urges that the Government should adhere to a policy of a managed floating rate, intervening in the exchanges to deal with any speculative attacks.

The balance of payments forecast is of a deficit at an annual rate of £1,350m. (seasonally adjusted, current account) during the second half of this year, falling to a rate of £700m. in the first half of 1974 and balancing in the second half.

According to the NIESR, the exchange rate is now "about right" to restore balance of payments equilibrium, provided that "incomes policy does not break down."

But whereas the Institute was remarkably optimistic about inflation in its May Review, it now concedes: "In the light of the latest figures for import prices, which have been well above our previous forecast, we cannot now be so sanguine about the rate *of inflation.*

"Even though we expect some decline in world commodity prices through next year, the retail price index may be rising at an annual rate of 10 per cent. or more this autumn and winter and still be rising by 7 to 8 per cent. per annum at the end of 1974."

The Institute states that the Government's prime objective in Phase Three must be to get the rate of price increase down substantially during 1974, "otherwise people's expectations will become adjusted to the idea that an annual price rise of the order of 8 to 10 per cent. is normal, and it will become very much harder thereafter to shift the figure down."

The Review argues that wage increases to compensate for higher import prices are illusory, because they lead to a further depreciation of sterling and still higher import prices.

Commenting on the recent rise in profits, it says that this is need to finance investment and that—although the Price Commission ought to be allowed to be tougher on companies which have made high profits throughout the past five years—the main attack on inflation *must come on the wages side.*

In this connection the Institute argues that, once companies have increased their prices to compensate for wage increases there is little difference for real incomes between an annual increase in earnings of 15 per cent. and one of 7 per cent.

Given its assumptions about import prices next year, the NIESR calculates that if the annual rise in earnings could be

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Details, Page 30
Editorial comment, Page 20
Samuel Brittan, Page 21

Approach to companies over 'excess profits'

BY DAVID WALKER

THE FIRST companies discovered by the Price Commission to be making excess profits in terms of Phase Two of the Government's anti-inflation policy have now been asked what action they intend to take to right the situation.

The move, a possible preliminary to Commission orders that price reductions be made, stems from scrutiny of the financial returns companies have been sending to the Commission.

With the process of examina*tion far from complete,* it is thought only a handful of companies are involved at this stage, but the numbers are likely to mount over the coming weeks.

The Commission is known to be giving specially careful examination to sectors such as television companies, provincial newspapers and some parts of retailing which have been clearly benefiting from the consumer boom or have reported record results for the first part of this year.

The Commission has also now started sending letters threatening legal action to companies which have so far failed to supply it with required information. About 250 concerns are thought to be involved.

All of them are being warned that, unless details of profit margin reference levels—used as a basis for determining allowable prices—and returns for the first weeks of Phase Two are filed within seven days of the letters going out, the Attorney-General will be asked for his consent to prosecutions. The result could be fines of up to £400.

Only Category Two companies —those required to notify the Commission of price rises but not needing specific consent to increases before they are introduced—are being sent the warnings.

Those should have submitted relevant details to the Commission by August 11, but, despite already having been reminded, some have made no contact with it, while others have confirmed they fall into the second category but have then failed to send in all the necessary financial information.

In all, there are thought to be about 1,200 Category Two companies. Category One—companies needing prior consent to increases—covers 200 of the country's biggest businesses. While some of those failed to meet the August 11 deadline, making them liable for unlimited fines, virtually all are now thought to have complied.

None can obtain price rise approval before they have met the deadline, and this the Com*mission seems to regard as* sufficient sanction.

The Commission revealed yesterday it is also sending out letters to professional organisations reminding them that changes in any scale fees they may use need its approval.

At the same time, the Commission is pointing out, such fees must be treated as maxima and people providing professional services may not increase their charges except to reflect advances in allowable costs. any application to increase fees.

Figures issued by the Commission yesterday show that only one-third of the applications for price rises dealt with between the start of Phase Two and August 24 had been granted in full.

Of 776 applications from 136 *pre-notifying companies,* 250 were still under consideration at the end of last week.

A total of 180 of the remainder were approved in full, 160 were allowed in a reduced form, and 29 were rejected outright. Another 157 were withdrawn by the applying companies after scrutiny by the Commission. A total of 147 rises were granted in the food sector, and 193 in other sectors.

On top of this, the Commission disclosed, it had effected 537 voluntary price reductions after following up complaints from the public. In all, there had been 17,599 enquiries from industry and the general public about prices being charged.

Miles Druce sues Commission

BY LORELIES OLSLAGER

BRUSSELS, August 30.

MILES DRUCE is taking the European Commission to court in its efforts to prevent the takeover bid from Guest Keen and Nettlefolds, it was learned here.

It is the first time that a British company has gone to the European Court of Justice in Luxembourg since Britain became a member of the European Community on January 1.

Miles Druce is complaining that the Commission refused to issue an interim decision preventing Guest Keen and Nettlefolds from using the shares and voting power it had already acquired to influence the affairs of Miles Druce while the takeover bid was being considered in Brussels.

It asked for a decision on June 27, a few days after GKN applied for the Commission's permission for the takeover.

The Commission told Miles Druce on July 18 that it had obtained assurances from GKN that Miles Druce's independence would be maintained while the case was being considered in Brussels. It saw, therefore, no need for a temporary decision.

Consequently, Miles Druce filed a first complaint with the European Court on August 15, attacking the Commission for deciding against its request, but there could be a dispute on whether the Commission's letter constitutes a formal decision. Miles Druce, therefore, filed a second complaint two days later against the Commission for fail*ing to act upon the request.*

In the latest development to-day, Miles Druce asked the court to issue a temporary decision of the kind the Commission refused. Court officials said that they expected a ruling within the next fortnight.

The other two complaints will take much longer to settle. The court has passed them on to the Commission, which has a month in which to reply. Then Miles Druce will be asked for its comments, which, in turn, will be submitted to the Commission.

Court officials said that it might be a year before a final decision was reached.

Meanwhile, the Commission will already have made its decision on the actual takeover bid.

Nicholas Leslie writes: Miles Druce confirmed last night that it had started proceedings in the European Court of Justice. It also stated that the proceed*ings did not concern the two* main questions of whether there had already been a concentration of interests which were unlawful under the Treaty of Paris, "or whether authorisation for the concentration should be granted by the Commission. The Commission has not yet ruled on these matters."

ON OTHER PAGES

Big fall in building society receipts

BY MICHAEL CASSELL

BUILDING SOCIETY leaders will to-day meet Treasury officials to warn them that the mortgage rate may have to rise for the second time in a month.

Representatives of the Building Societies Association will go to Whitehall with preliminary figures which show that net receipts in August have fallen to their second lowest monthly level this year.

They will warn that mortgage rationing—already well in evidence—could become widespread and severe without a further increase in mortgage rates.

Preliminary indications are that net receipts during the month fell from July's record total of £225m. to between £90m. and £100m. Gross receipts are believed to have fallen quite substantially, and withdrawals have also increased to what could be near-record levels.

The Government is already aware of two sets of official figures released this week which show that the housing market may again be heading for a recession. The prospect of even more expensive mortgages will come as a further blow.

Housing starts and completions recorded in July represented a big turndown on previous months in 1973 and yesterday came news *that orders for new private housing* placed in the second quarter of this year had also fallen back.

The association emphasised yesterday that it was not going to the Government with any request for help. In the past it has been criticised for not making better known the possibility of rate changes, and this time wants the Treasury to be fully informed about likely events at the association's council meeting on September 14.

It is known that many society leaders were not at all anxious for any such discussions to take place at this stage.

Barring Government intervention, it now looks as though societies will decide to raise the mortgage rate to 10.5 per cent. or possibly 11 per cent. so that investors may again be offered a better return on their savings.

NET RECEIPTS 1973

January	£156m.
February	£106m.
March	£60m.
April	£195m.
May	£211m.
June	£188m.
July	£225m.
August (estimate)	£100m.

Building orders fall back, Page 10

£ in New York

—	August 30	Previous
Spot	$2.4575-4585	$2.4635-4645
1 month	1.00-0.90 dis	0.95-0.85 dis
3 months	2.85-2.75 dis	2.75-2.65 dis
12 months	8.45-8.30 dis	8.25-8.10 dis

Feisal warns Arabs on 'oil weapon'

BY IHSAN HIJAZI

BEIRUT, August 30.

KING FEISAL of Saudi Arabia to-day gave a warning against the use of Arab oil as a political weapon.

He and his son, Prince Saud Al Feisal, who is Under-Secretary at the Petroleum Ministry, were both interviewed by Mr. Selim Louzi, editor of the Beirut weekly magazine Al Hawadess.

King Feisal gave a warning against "slogans which deliberately intend to push the Arabs to gamble with their strongest weapon (oil).

"No one is asking where, if we cut off the oil, we would get the money we need for supporting our country and providing assistance to our brothers on the confrontation lines with Israel."


King Feisal

Sympathy

Prince Saud said that oil could not be used as an "artillery shell" but rather it was an economic weapon that should be used only after thorough studies had been made.

If Arab oil were cut off to-day, the United States would not be harmed because it would not be dependent on Arab oil before the end of the seventies. Only Western Europe and Japan would be harmed by such action, Prince Saud said.

"What benefit is there in arousing the fears of the Europeans and Japanese at the time when they are showing a growing sympathy with us?"

Demands

The purpose of the call for use of Arab oil as a weapon was to put pressure on the U.S. Cutting off the oil would not achieve this.

"What is required? Is it to win the enmity of the world or to persuade the American citizen that his interests lie with the Arabs? It is interests, not *threats, that change the attitude's* of peoples and States."

The statements by the King and Prince Saud, who is regarded as second in command of the Saudi oil business after Oil Minister Ahmed Zaki Yamani, appeared to be aimed at calming recent fears in the West that Saudi Arabia was about to take drastic measures *in the supply of her oil to* Western markets.

There also seems to be a concerted Saudi effort to quell growing Arab demands for the use of oil as a weapon after the U.S. veto at the Security Council last month which defeated an anti-Israeli draft resolution.

Another prominent member of the Saudi royal family, Prince Abdullah Ben Abdel Aziz, commander of the powerful National Guard, better known as "the White Army" said earlier this month that the Arabs should handle the question of oil rationally.

The Prince, a brother of King Feisal said in an interview: "We should insulate the debate on oil from bazaar bargaining and random influences."

Neither King Feisal nor the two Saudi princes referred to speculation that the king had decided to limit the increase in Saudi *oil production to 10 per* cent. a year.

Observers in Beirut say that the reference by Prince Saud to the harm that would come to Japan and Western Europe if there was interference with the flow of oil appears to contradict this speculation.

The observers believe that to-day's statements ought to put the U.S. and Western minds at ease as to the continued flow of Saudi petroleum.

Formula

The magazine said that King Feisal and President Sadat had agreed on a formula whereby income from oil rather than the oil itself would be used to strengthen the Arab position in the confrontation with Israel.

According to his report, King Feisal has agreed to pay half the cost of projected Egyptian spend*ing on armaments from the West.* The total cost has been given as £500m.

The magazine said that the rest of the money would come from three other oil producers—Kuwait, Abu Dhabi and Qatar.

President Sadat returned to Cairo this week from a secret visit to Saudi Arabia, Qatar and Syria. The Emir of Kuwait, Sheik Sabah Al Salem, who is visiting Saudi Arabia, will visit Cairo soon.

WORLD TRADE NEWS

Move to 'keep Australia in Australian hands'

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR SYDNEY, August 30.

A BILL to revamp the Australian Industry Development Corporation into one of the most important and influential development and industrial enterprises in Australia was introduced into Parliament to-day.

The Bill will ensure that all future developments of any significance are owned and controlled by Australians. It does not, however, suggest that existing foreign ownership will be interfered with in any way or assets taken from multinational corporations already operating here.

The Bill also makes it clear that it is though AIDC that the Government is to enter the search for and development of oil and gas in this country. The AIDC will be given powers to raise money locally, overseas, and also to seek direct grants from the Government for projects. In fact, the new AIDC will have virtually unlimited powers to raise and invest funds.

The only limitations appear to be those of current Government monetary policy, and where high risk may be involved in national interest cases the Corporation can ask the Government to underwrite a project that is considered necessary.

The Corporation will be able to offer development finance in packages suitable to individual projects. For foreign investors, the new National Investment Fund which is to be established by a separate Bill also introduced to-day will act as the channel. This means that foreign capital for development of natural resources would go into investment bonds in a special division of the Fund.

In accordance with the terms and conditions of his bonds, the foreign investor would be entitled to income earned by the project and the benefit of growth in its capital venture. In the case of mining ventures, which are likely to be the ones most affected by this provision, the foreign investor would also have pre-determined rights to the product. He will not, however, exercise control over the project that he could as owner of Ordinary shares.

Various methods

The Government plans to offer Australians various methods of investing in the AIDC and through it, to help keep Australia in Australian hands. One will be through funds involving savings plans similar to superannuation and endowment insurance schemes. Contributions to these will be tax deductible to a limit of $A1,200, an amount now allowable for contributions to insurance premiums.

Dr Cairns said that it would be essential to preserve the AIDC's commercial borrowing status and its ability to work in close co-operation with industrial ventures. The Board would be able to exercise independent judgment in discharging the commercial aspects of its responsibilities. But where Government money was supplied for "national interest cases," the Corporation would have to use that money for specified purposes in accordance with terms and conditions laid down by the Government.

The Corporation, which already has powers to assist in manufacturing and minerals projects, but on a limited scale, has had its powers extended to cover transportation and distribution.

On this basis, it is clear that the influence of the Corporation will be enormous, not only through its direct holdings in new ventures, but through the fact that it will be the major vehicle for capital raising and funding new projects.

It is significant too that little mention has been made of "buying back Australia," a slogan that has become popular here. The cost of such a project would be enormous. Instead, the Government hopes to diminish foreign ownership of Australian projects by simply making a larger cake and taking the major slice of it.

Mr. Geoff Virgo, South Australia's Minister of Communications, inspected British Rail's new prototype suburban train at London's Cannon Street Station yesterday. South Australia is in the throes of railway modernisation, and Mr. Virgo is in Britain visiting BR installations—to-day he will be shown the Advanced Passenger Train at BR's technical centre in Derby.

Leyland airlifts spare parts to U.S.

By Peter Hering

THE BIGGEST airlift of spare parts and accessories ever undertaken by the British motor industry is being completed to-day by the all-cargo carrier, Seaboard World Airlines, when the last of three Douglas DC-8 aircraft chartered from the airline by the British Leyland Motor Corporation takes off from Heathrow airport for New York.

It will be carrying the final load—approximately 35 tons out of a total of more than 80 tons—of a shipment of 1½m. individual parts and accessories for Jaguar, Rover and Triumph cars which British Leyland require for the initial stocking-up of seven new centres it is establishing as part of a reorganisation and rationalisation of its parts distribution service in America which comes into operation on October 1.

Only way to meet deadline

The rationalisation, involving the reduction in the number of distribution centres the company has previously maintained in the U.S., called for delivery of the stocks by September 14. British Leyland decided that the only way the deadline could be met was to airlift the parts, but because the cost of shipping these on scheduled services at normal airline cargo rates proved too costly, it was decided to charter the three cargo aircraft from Seaboard, which is the biggest all-cargo airline operating across the North Atlantic.

Travelling in the cockpit with the three-man crew of the DC-8 to-day is Mr. Andy Woods, British Leyland's national parts manager for the U.S., who had recently flown over from America to assist in supervising and co-ordinating the operation.

The spares, which have a retail sales value in the U.S. of approximately $3m., were drawn from four of British Leyland's depots in the Midlands and from one in Cardiff. All had to be assembled at Fletchampstead for packing, invoicing and labelling before being trucked to Seaboard at Heathrow.

CANADIAN TEXTILES

The Japanese are welcome

BY ROBERT GIBBONS

MINING MEN in Western Canada have been saying for several years that it is almost impossible to spend a few weeks in the field prospecting for metals without realising that there is a Japanese looking over your shoulder. An exaggeration, perhaps, but in the late 1960s the Japanese were showing an intense interest in helping to find and develop new sources of base metals in British Columbia.

To-day, several of British Columbia's newest and largest copper mines are shipping the bulk of their concentrates to Japanese smelters.

The next wave of Japanese interest in Canada was in the form of small cars. Thousands of Toyotas, Datsuns and now Mazdas pour into Vancouver and Halifax each year, helping to make the proportion of foreign car sales in the Canadian market constantly above 20 per cent. of the total. In the West in 1971 and early 1972, the proportion reached nearly 30 per cent.

The Japanese have a small assembly plant in Nova Scotia which puts together a token number of cars yearly. They have, however, invested heavily in marketing and servicing in and around the main population centres. The Japanese firms seem to have permanently eclipsed the performance of Volkswagen in the Canadian market. Toyota has been outselling Volkswagen for two years and the three Japanese concerns together sell twice as many cars in Canada as VW does.

Also in the last three years, the $1,000m. expansion of the Quebec-Labrador iron ore mines has depended on the Japanese market. At the same time, up to the most recent upvaluation of the yen, Japanese textile firms, through their own factories in Japan and through affiliates in other low-cost Far East countries, have made life extremely difficult for domestic textile manufacturers.

But this year has seen a remarkable turnaround in Japanese strategy. The new official Japanese policy of encouraging investment overseas for balance of payments reasons is bringing Japanese money and know-how directly to a harassed industry.

An ironic situation is beginning to affect the old textile towns of Quebec and Ontario and also such out-of-the-way places as the Acadian Peninsula, on the coast of New Brunswick.

After the Kennedy Round in the sixties, the popular view among some civil servants in Ottawa and even in the provinces was that the older textile industries in Quebec and Eastern Ontario could be allowed to run down and that incentive schemes and retaining programmes could rapidly bring new secondary industry to the areas affected and mop up any embarrassing unemployment that might develop.

Extreme pressure

The strategy did not work. The older textile firms did come under extreme pressure from low-cost imports from Asia, and the situation became critical during the 1969-70 tight money era and recession, when even the tyre-cord makers were laying off workers in the hundreds.

The Federal Government's reaction was to try to negotiate tighter quotas with the Asian countries including Japan, and when this also did not improve the employment problem in the textile towns, Ottawa set up a Tariff Review Board which could deal with specific problems in the industry. With the recovery of the Canadian economy in 1972-73, textiles have prospered on the whole, particularly in the man-made fibres, and there have been shortages even of some fabrics and products.

The Japanese seem undaunted by the cyclical nature of the Canadian industry, its fragmented management and structure, and the small size of the domestic market. The Toyoba Company of Osaka, which owns nearly 30 mills, and the big Marubeni industrial and financial group, have just jointly bought control of Bruck Mills, a Montreal-based fabric maker which is among the ten largest in Canada. Brothers Gerald and Robert Bruck sold their controlling interest and there is a minority shareholding among the public.

The Brucks have done quite a lot of business with the Japanese for many years, buying raw cloth and converting it in Canada into fabrics. But they have often boasted that they could keep ahead of the Japanese because they knew the Canadian market and the trend of fashion and could switch most of their products much more swiftly.

Critics say that the Brucks have just given up, faced with continuing low profitability and shortage of labour in its mills. Gerald Bruck has pointed out that though there is heavy unemployment in the area outside Montreal where the company has built new facilities, no one will take the jobs he offers at $100 to $125 a week because the attractions of unemployment pay plus odd-jobs are too great.

Bruck says Marubeni contacted Ottawa and Quebec City about investment opportunities a year ago, and there was no problem with the impending takeovers legislation. It was apparently judged that there would be sufficient "significant benefit" to Canada to allow the Japanese firms to take over Bruck.

Bruck says also that with the fast pace of technical change in textiles, his company on its own cannot generate the capital or know-how to keep up. "After the last revaluation of the yen, the Japanese realise they have become high-cost producers and must invest abroad."

They have already sent a team of technicians and ot specialists to the Bruck pla (they employ nearly 2,000 sell $35m. of fabrics and knit year) and there is talk of ex sion again.

The pattern has been sta in a remote area of New Br wick where the only livelih available for the French-speak Acadian population for gen tions has been fishing. Mitsubishi industrial giant the Ataka trading group Japan have put up nearly and the technical know-how a new $6m. texturising, knit dyeing and finishing plant in full production in Septem at Caraquet, a fishing port fa the Gulf of St. Lawrence. equity is 50-50 owned with Ch Mills, a private Montreal tex firm. The Federal Governm grant for the project was $2

Largest ever

It is the largest ever indus investment in this h unemployment area. The nea industrial town is Bath which lives on pulp and pa and the Noranda Mines-contro New Brunswick Mining Smelting operation. The pop tion of Caraquet have acce several score Japanese t nicians among them without much difficulty, since the will give jobs to several hun men of the younger genera and inject several million dol a year into the local econom

Last year, Carrington-Viy of Britain bought Consolid Textile Mills of Montreal, a la firm by Canadian standa Because of the difficult posi of much of what remains of Canadian textile industry, seems that it is an area wi foreign take-overs will en little difficulty. The Japanese known to be looking at s other companies.

Swedish challenge to ITT in India

BY CHRISTOPHER LORENZ

IN a move which could have major significance for International Telephone and Telegraph's dominance of the Indian telecommunications market, Mr. L. M. Ericsson, the Swedish multinational, has won an order for a New Delhi local exchange.

The development comes almost a decade after ITT took over from Plessey as the virtually exclusive supplier of telephone know-how to the Indian authorities when the Indians began diversifying their switching system from traditional mechanical "Strowger" equipment to Crossbar.

The Indian order, worth $3m., is the second piece of evidence within a month of Ericsson's ambition of greatly expanding its share of the buoyant world telecommunications market. Less than two weeks ago Thorn Electrical Industries announced that it was having talks with the Swedish company with a view to establishing co-operation in the U.K. market.

Ericsson's interest in India dates back a decade, to the time when, in common with Plessey, it was beaten by ITT to a major on going order for Crossbar equipment. Previously, Plessey had enjoyed a similar exclusive status for 15 years as a supplier of Strowger.

Unconfirmed reports that the Indian authorities were not completely satisfied with their relationship with ITT were strengthened when they called for tenders for the New Delhi exchange.

The situation gains in significance in view of Indian Telephone Industries' plan to set up a new manufacturing facility, probably for Crossbar equipment. Mr. Bjoern Lundvall, Ericsson's president, told the Financial Times yesterday that it could be between six and 12 months before the Indians came to a decision.

Although Mr. Lundvall sai was still too early to say hopeful he was that Eric would get the factory order company clearly wants to br into the Indian market in a way, though it would tak marked surge in its volume the achievement to e Ericsson's recent disruption ITT's strong position in Spai

Within nine months Swedish concern may also kn the results of Iranian plann where a tender will soon issued, in connection with World Bank-financed proj Ericsson's overseas expansior particularly evident in It where a second factory is n ing completion and a third under consideration.

China interest in Japan railway aid

BY OUR OWN CORRESPONDENT TOKYO, August 30.

CHINA IS scheduled to send a railway mission to Tokyo late in September or early in October to investigate the possibility of obtaining Japanese assistance in constructing a vast, modern railway network which would connect most of the major cities of China.

The Chinese team, which will be composed of leading railway officials and top engineers, is expected to make a survey of available Japanese railway technology and railway-related industries, according to sources closely concerned with Sino-Japanese affairs in Tokyo.

Authorities of the Japanese National Railways (JNR) have agreed to provide the Chinese inspection mission with full co-operation during their stay. If all goes well, according to these same sources, Peking may place orders for equipment and technology assistance valued many hundreds of millions of pounds.

In view of the extremely high opinion which the Chinese have of Japan's railway network and the advanced technology behind it, the Japanese feel that there is a very strong likelihood that specific orders eventually will be placed with the Government and with private companies in Japan for the complete modernisation of China's rail system.

"We don't believe the mission that will arrive here this autumn will be in a position to get down to business," suggested one source. "But we do think that the visit will lead directly to placement of huge orders and to the signing of technology assistance contracts of tremendous importance."

The 15-member Chinese railway mission is scheduled to remain in Japan for at least a month. They intend to pay particular attention to the following Japanese rail operations.

(1) the "Shinkansen" or super-express lines for the fast bullet trains running between Tokyo and Osaka; (2) automatic devices for formation and operational control of trains on the nationwide JNR lines; (3) the computerised train ticket vending machines; (4) systems for the mechanisation or automation of track maintenance and repair work and cargo loading and unloading; (5) production of the most modern electric locomotives and other rolling stock; and (6) fully automatic operation and safety signals.

The Chinese first informed Japan of their intense interest in obtaining Japanese assistance in constructing a modern railway network — including super-fast express lines — last year. The Japanese at that time promised their co-operation.

China's draft plan is to begin with a programme to modernise and electrify existing railway lines and to follow this with installation of high-speed cargo train lines. The first super-express railway is to serve the Peking to Canton route via Shanghai. A second Chinese "Shinkansen" line then would be built between Peking and Nanking.

U.K. exports to India fall

BY OUR OWN CORRESPONDENT CALCUTTA, August 30.

FOR THE first time in two years British exports to India have tended to lag behind imports from India, according to the latest final figures available for the first four months of 1973.

U.K. exports according to official statistics during the four month period totalled £43.57m. compared with £47.8m. in the same period last year while imports shot up to £41.2m. from £32.25m.

Almost the whole of the decrease in exports is due to a big drop in the U.K.'s steel sales. Increases in imports from India are mostly accounted for by cotton textiles and fabrics clothing material and yarn, feeding stuff for animals and leather and manufacturers.

However, the U.K. credit of £71.5m. given for the last financial year against an aid commitment of £63m. appears to have helped a greater flow of British equipment and machinery for Indian projects like power generation, fertilisers and steel.

Sizeable contracts

Several British companies in recent months have secured sizeable contracts to supply machinery and equipment.

For example, Paramount will be supplying three sets of heat-resisting steel castings for boilers in three Indian power stations. This firm, too, has won a contr to supply reformer tu assemblies for Mangalo fertilisers and chemicals. Bl belting will be supplying 20,0 metres of conveyor belting f the Russian-built Bokaro ste plant; Rhewum of Backenha has an order to supply 10 elect magnetic screening machines f fertilisers and chemicals Travancore; F. H. Lloyd w supply turbine castings and al specially cast steel pipework f the atomic power station South India.

As India continues to be bad short of steel it is likely to t to get as much from Britain possible during the later mont of the year.

Turkish breakthrough for Nissan

BY OUR OWN CORRESPONDENT ANKARA, August 30.

NISSAN MOTOR COMPANY and Mitsui are to build a $60m. gearbox engine and vehicle company in Turkey in partnership with the local Anadolu holding.

This is a major breakthrough for the Japanese who have been trying to win Turkish Government authorisation for the project for three years. At full capacity, the Japanese participated plant will be by far the biggest in the automotive field in Turkey and the only competitive one by Common Market standards.

The plant is scheduled to become operational in early 1976 and in its initial stage manufacture 12,500 panel lorries and vans and their engines and gearboxes. At full capacity, which will be attained about six years from now, this will be raised to 50,000 for each item.

A total of $59.9m. is to be invested in the project according to the Turkish Government authorisation which was given yesterday. The company will have a $14.4m. capacity of which 60 per cent. will be owned by the Turkish partner. Nissan will own 25 per cent. and Mitsui 15 per cent.

The Japanese will supply a credit of $32,160,000m. at a gross interest rate of 6 per cent. The credit is to be repaid over 12 years including a three-year grace period.

Pick-up and panel trucks and vans with 500 to 2,500 kilogramme capacities are to be manufactured. They will be fitted with gasoline engines of volumes between 1,500 to 2,000 cubic centimetres. The gearboxes will have four forward and one reverse gear domestic input. The production of these is to average about 90 per cent. in the 40th month of production.

Nissan will be paid $500,000 for their technical know-how and engineering services.

Three years after production begins exports of at least $1m. worth will have to be made and continue at this level for three years, according to the Government authorisation. The Turkish Government is hoping that this will be the first of many similar Japanese investments to be made in Turkey giving the Japanese the benefit of cheap Turkish labour for access into the Common Market.

Edinburgh Festival

Paintings on view

by MARINA VAIZEY

The major official Festival exhibition of the fine arts is called with real cheek *Permanences de l'art Français.* Some commentators on Anglo-French affairs have detected a note of consistent French hostility to Britain. Now, we are in the Common Market, and Scotland's oldest ally has sent an exhibition which can only be described as a meal of left-over hors d'oeuvre: some well known names (Vasarely, Herbin, Masson, Alechinsky, Viera da Silva, César) some not so well known in Britain, mostly represented by inferior works, or things that seem take-offs of themselves.

Yes, there are some pleasing things, some decorative moments too. There are paintings by Gillet, a sort of monochrome Ensor, expressionist and haunting. There is cool and elegant Herbin, but represented by such gentle vapidities in the exhibition that one almost forgets the fierce elegance of his best abstract-geometric work. There is César's glossy, plastic chic, plastic puddles oozing out of containers. His photograph in the catalogue looks remarkably like what Ken Russell's idea of an artist might be, and the whole exhibition is a caricature of what art can be. There's no vigour and vitality, but just a number of mostly pedestrian examples of work by some good and not so good artists.

The unimaginative choice of the actual paintings and sculptures on view, leads to a series of repetitive formulae. The French may be making a lot of money, but the official view of on-going art is middle-aged, feeble, packaged and boring. Where are the Young Turks, or at least the Young Turk paintings and sculptures of these middle-aged figures?

Viera da Silva's exhibition of paintings at the Gulbenkian Museum in Lisbon some years ago was superb, each painting acting as part of a vital, silvery orchestration of nervy lines floating in colour. Here, a few paintings by her are isolated in a group which appears to have been flung together at random. In spite of the high flown catalogue introduction, the exhibition is one of wistful ghosts. In short, it's just a pointless show, which blends effortlessly into the charming occasionally interesting exhibition of sent-in work by Scottish artists which fills the rest of the exhibition rooms at the Royal Scottish Academy.

There is, of course, the great collection, not overlarge but simply mostly a series of masterpieces to be seen at the National Gallery just behind the RSA. It is now conventionally hung again, but last year the most imaginative and informative rehanging took place when paintings were displayed according to when they had entered the Scottish national collection. It was a genuine and enthralling history of taste, and the Scots have been very adventurous. This rehanging is permanently commemorated in the excellent book published by the National Gallery by Dr. Colin Thompson, *Pictures for Scotland.* It's not what we see, but how we see it.

Outside these foreign and native masterpieces, and those to be seen at the Scottish National Gallery of Modern Art, a very small but choice collection, the visual pleasures of Festival time go to other native efforts. There is an excellent and wonderfully pleasurable anthology of pictures at the exceedingly elegant, carefully restored, Georgian-Victorian premises of the Fine Art Society in Edinburgh, at 12 Great King Street. The gallery is like the private house it once was long ago.

The exhibition is in three sections, and for the non-native visitor, the most fascinating is 19th and 20th century Scottish painting. Here are D. Y. Cameron's sensitive landscapes. A remarkable painting by Bessie MacNicol (of whom little is known; she died at the age of 35 in 1904) called *Autumn,* shows a girl, whose face is depicted in all sorts of unexpected and imaginative shafts of colour, the whole done with an appealing roughness yet authority, the figure set against a background of freely painted, richly coloured leaves. In microcosm, this illustrates the best of the unexpected richness of much Scottish painting: an apparently *conventional subject,* treated with dashing, quixotic imagination, disciplined by skill. Bessie MacNicol's bold brush strokes, her fluid use of unexpected and radiating colours, exhibit a modest but telling originality.

And there are things like the totally unexpected watercolour, dots of blotted colour, as though the paper were spattered with coloured raindrops resolving into a pattern of ladies walking down a street, by James Watterston Herald (d.1914). There are fine works by the "Glasgow Boys" and the Scottish colourists. A section devoted to views of Edinburgh, includes a charming little oil of snow topped roofs by Sir George Reid, and a pastel by Simon Bussy of Bloomsbury connections. Another section is devoted to views of Venice, including a romantic and exquisite series of gouaches by Brabazon, clouds of soft colour which look as though they have just alighted on the paper, atmospheric and delicate. And a group of drawings, pencil and coloured chalks, by that idiosyncratic and refined draughtsman and delicate colourist, Maxwell Armfield, depicting with linear grace his views of Venice.

Old-fashioned one may think and traditional; but the wealth of pictures on view at the Fine Art Society not only give much pleasure but something more than that—from time to time, a painting sparks: a felicitous combination of colour, a web of lines, a bold texture, and from landscape and portrait and city view comes a work of art, whether small or large, of genuine stature. It is that fascinating Scottish tradition, which took Barbizon and the Hague schools, laced them with linear values, added the lessons of light of the Impressionists, and a fervour of brush strokes from other European art, and made independently something of its own.

At the Edinburgh College of Art, there is a very large exhibition of recent work The Sound of Sleat, by the American artist Jon Schueler, a long time visitor to Scotland, and now resident at Mallaig, the western coast and Highlands. Schueler studied with Clyfford Still in San Francisco, and his painting superficially has much to do with the fairly recent trends of American abstract painting: a direct emotional appeal, a use of clouds of colour, an unabashed delight in the pleasures obtained so directly. Rothko comes to mind.

But all of Schueler's work is carefully titled, with indications as to date, often time of day, and geographic place. They are concerned, mostly, with shifting light movements of the sky. Occasionally a hint of the horizon, the line of the landscape, will punctuate a painting, or more agitated movement and modulation of colour will indicate the sea. I found them quite remarkable: a kind of unformed painting, structured only by colour and a fine spun texture of the paint itself which results in a controlled and delicate shimmer. The work is a celebration of nature's palette, of the continual and subtle changes of atmosphere, of the natural drama of shifting, glorious light, scrupulously observed. Form is achieved by the rectangular shapes of canvas or paper. The fluidity of the constantly changing panorama of light, the reflections and gleams of the moving sea, occasionally anchored by the firm line of the land, makes a series of evocative paintings and watercolours: a magical capturing of the grandeur and beauties of particular and much studied, much loved, landscape atmospheres.

Sadler's Wells Theatre

Tristan und Isolde

by ELIZABETH FORBES

This summer will surely be remembered as a particularly splendid one by all Wagner loving Londoners. Not only have we got jam to-morrow—the new *Tannhäuser* at Covent Garden —and jam yesterday—the English *Ring* cycles at the Coliseum —but, in spite of the White Queen's ruling, we also have jam today—two performances of *Tristan und Isolde* given by Scottish Opera at Sadler's Wells Theatre.

The production of *Tristan und Isolde* was new in the spring, when it was reviewed on this page. Ralph Koltai's set, designed for touring, fits very well on to the small Sadler's Wells stage. It has the great advantage of concentrating all one's attention on the characters, a virtue that is shared by Michael Geliot's simple, but clear and effective production. There is little movement, as there is little outward action, but the inner drama is well served.

The Scottish National Orchestra is the rock on which Scottish Opera is based. The string and wind sections produce a very individual, light and airy sound. The brass is warm without being at all heavy. The result is a translucent texture that marvellously clarifies Wagner's score. The conductor, Alexander Gibson, favours fairly fast tempos, but he never hurries the singers and his reading is all of a piece with the orchestral sound.

Helga Dernesch sings Isolde with a radiant inner feeling for the music. She may not have the trumpet top notes of a Nilsson, or the limitless breath control of a Flagstad, but in the first act she manages to illustrate all the different sides of Isolde's character, pouring out her scorn, anger, shame and despair, as well as her love, never far below the surface, for Tristan. On Wednesday she was in very good voice, and her phrasing in the love duet was quite meltingly beautiful.

Pekka Nuotio, the Tristan, is an awkward actor, but his voice is solid throughout its range, and in his long scene in the third act, when all he has to do is sing, he produced not only hidden reserves of power, but a hitherto unsuspected range of tonal colouring. He also brought out very well the affection and respect that Tristan has for King Mark. David Ward, long familiar in other productions as Mark, has never, in my experience, sung the role so movingly or so strongly as he did on Wednesday.

Ann Howard as Brangäne and John Shaw as Kurwenal were both very sympathetic in their portrayals, though neither was exactly ingratiating vocally. Two young singers made excellent impressions in smaller roles: Frederick Donaldson as the Sailor and as *Melot,* and David Fieldsend as the Shepherd. Let us hope that this is only the first of many visits to London by Scottish Opera.

Cinema

The outsider as hero

by NIGEL ANDREWS

Pat Garrett and Billy the Kid (X) Empire
Visions of Eight (U) ABC 1 Shaftesbury Avenue
Steelyard Blues (X) Warner West End
Shaft in Africa (X) Empire Two

"Times may have changed. I haven't," says Billy the Kid to his friend Pat Garrett, outlaw turned lawman, in the opening scene of Sam Peckinpah's new Western. It's a line that might have sprung from the lips of any one of Peckinpah's recent heroes. Low-key and fatalistic, *Pat Garrett and Billy the Kid* is as different in mood and style from Peckinpah's last film, *The Getaway,* as *Junior Bonner* was before that to *Straw Dogs.* But though the style may have changed, elegy and violence vying perpetually for supremacy in Peckenpah's work, Peckinpah himself hasn't. Nor has his hero. Billy the Kid is Peckinpah's newest variant on the outlaw-as-hero, the man who stubbornly refuses to adapt to a changing society, or to acknowledge that in a world which offers less and less room for the individual he and his frontier heroism are an anachronism. In the Peckinpah world Pat Garrett is his equally time-honoured opposite number: the survivor, the man who *does* bend to the wind of change because he knows that's the way to stay alive.

The style of the film, I suspect, takes more getting used to than a single viewing permits. It's written by Rudolph Wurlitzer, who scripted that equally claustrophobic, slow-burning film *Two-Lane Blacktop,* and the film works by intercutting short, seemingly disconnected episodes rather than by building a continuous story. Wurlitzer has chosen to dramatise the last three months of Billy's life, the little-known period between the outlaw's arrest and detention in Lincoln courthouse and his death in Fort Sumner, shot down by Garrett after stubbornly refusing to escape to safety and anonymity in New Mexico. The two men thus meet at the beginning of the film and at the end, but in between we follow their progress as a sequence of separate but dramatically parallel episodes.

Repetition is the film's keynote. Each scene seems to begin with a slow, tense dialogue in saloon bar or dusty street, burst to life suddenly with a violent *shoot-out and then close with* Billy, or Garrett, riding off alone into the next sunset. "Ritualistic" is the word that has been used about the film, but "mechanical" seems an apter description (not in a pejorative sense). *For* Peckinpah, both Billy and Garrett, having made their choice of roles in life, must adhere to them now with a joyless fidelity until their predetermined drama ends. Peckinpah's hard, static camera style—there is scarcely a single tracking shot in the film—emphasises the fatality of the story: and Wurlitzer's dialogue is every bit as downbeat and laconic as it was in *Two-Lane Blacktop.*

Which is not to say that the film is all doom and sombre intimations of mortality. For one thing, Peckinpah's way with the supporting characters is as detailed and richly humorous as in any of his Westerns. Round the immovable centre of his two heroes rotate a splendid gallery of frontier rogues and charlatans. There is Billy's stark-eyed, Bible-spouting jailer early on (R. G. Armstrong) who bombards his prisoner with lines from Ecclesiastes ("There is a time to live and a time to *die!*") and colourful threats delivered from behind a double-barrelled rifle ("I'd like to spread you out like a crazy woman's quilt!"). There is Jason Robards' cool, shrewd and cynical Governor Wallace. There is, best of all, Slim Pickens as Sheriff Baker, a paunchy old-timer who dreams of retiring to a quiet life on the river, but is swept up into one of those gunfights that erupt from nowhere through the film, gets *shot,* and *then* drags himself off slowly to breathe his last on the banks of his beloved river.

Most importantly, Peckinpah has seldom if ever chosen a particular style and sustained it so effectively through one film as he has here. Muted, watchful performances by James Coburn as Garrett and Kris Kristofferson as Billy set the key. Everything *is action and reaction: lines of* dialogue are shrewdly capped, stray glances pointedly intercut, acts of betrayal instantly revenged. Nothing can stop the machinery once it is wound into motion; and the sheer weight of fatality that gathers over the film is reflected in the misty drabness with which Peckinpah shrouds the last scene gunfight, Billy and Garrett meeting at the point when all free choice has finally dissolved into an inexorable tide of action and counteraction.

Unfortunately, what *militates* against a clear understanding of the film on one viewing is not merely its unusual structure and its lack of a reassuringly simple storyline. There are also the less negotiable problems of inaudibility and the hefty cuts made in the film by MGM and our own censor. Much of Wurlitzer's slangy, throwaway dialogue is thrown away all too effectively, mumbled into beards or muffled by the film's bewildering varieties of Texan drawl; *and of Bob Dylan's lyrics on the* soundtrack, only a handful actually got through to me in comprehensible English. As for the cuts, MGM's interference might explain the *non sequiturs* in the film's plotline (notably the astonishing number of minor characters who appear and disappear unexplained through the film). The censorship cuts are equally distressing. The film's violence is exceptionally mild by Peckinpah standards (even if it weren't, we're surely all used to spurting blood-packs by now?); and after passing *Straw Dogs* uncut, it suggests a manic inconsistency on the censor's part to take the scissors to what those who saw the uncensored version some months ago considered a more innocuous film than either the above-mentioned or *The Getaway.*

★

When it was premiered in Cannes earlier this year, *Visions of Eight* received a roughly equal proportion of boos and cheers from its large festival audience. A record of the 1972 Munich Olympics as seen through the eyes of eight different film-makers—Arthur Penn, Mai Zetterling, Milos Forman, Michael Pfleghar, John Schlesinger, Kon Ichikawa, Yuri Ozerov and Claude Lelouch—it's a film that chooses variety rather than unity of conception, and not surprisingly it is split down the middle between the parts that work (Penn on the pole-vaulting event, Zetterling on the weight-lifters) and the parts that don't (Pfleghar's unimaginative section on "The Women." Ichikawa's film of "The Fastest," a ten-minute, *slow-motion* record of the 100-yard race which proves disappointingly laboured and pretentious).

The best sections are those by Penn, Mai Zetterling and Milos Forman. Penn's "The Highest" is an evocative and lyrical record of the pole-vaulting contest in which slow motion and a cleverly orchestrated soundtrack (crowd roars erupting only at the high moments of triumph or failure) work to create a combination of visual grace and almost palpable crowd tension. Mai Zetterling's "The Strongest" shows us the weightlifters at work and counterpoints the familiar shots of bulging biceps and glistening foreheads with a hilarious run-down of the Olympic catering statistics.

Milos Forman's "The Decathlon" is a characteristically irreverent study in human idiosyncrasy (by the Czech director of *The Firemen's Ball* and *Taking Off*) which was roundly tut-tutted by sports aficionadoes at Cannes. Firstly because it has nothing to do with the Decathlon. Secondly, because it is concerned with showing us the athletes and officials in their off-guard moments—swearing, scratching, talking to themselves, or just dropping off to sleep. Forman intercuts these scenes with shots of a totally irrelevant tinpot Austrian band, which he has imported to provide the music for the piece. Forman's film may not be the traditional Olympic film fare—billowing hair, heroic profiles and rippling muscles—but it provides a delightfully welcome scherzo in a film that has a lot elsewhere of the more familiar, hallowed style of Olympic reportage.

★

Steelyard Blues is a minor league kooky comedy designed principally as a vehicle for the reunited talents of Jane Fonda and Donald Sutherland, "that cool couple from *Klute*" as the posters have it. Sutherland plays a jail-happy layabout who spends his time at demolition Derbies (an American variation on stock car racing) or getting arrested for various forms of troublemaking (much to the embarrassment of his brother who is running for Attorney General). With a gang of equally accident-prone but resourceful misfits, including prostitute Jane Fonda and ex-circus stunt man Peter Boyle, he takes refuge in a junkyard and sets about resurrecting an old sea plane, with the idea of flying up and out of his harassed life in the big city.

Allegorical implications loom large in the background, but the film manages to keep its light touch and to sustain a delightful mood of improvisation. Not merely in the picturesque twists and turns of the story (come the gang's last-scene take-off, they find the runway blocked by a posse of flashing police cars—but help is at hand just over the horizon), but also in the exuberant party tricks that the actors keep throwing in for good measure. Peter Boyle, for example, runs through a dazzling repertoire of impersonations (including a definitively adenoidal Marlon Brando), while Fonda and Sutherland ring entertaining variations on their *Klute* roles. All in all, it's a film which makes up for its lack of substance with a lot of incidental pleasures.

★

Shaft in Africa is the latest addition to the series of black private eye thrillers starring Richard Roundtree. It is less streamlined and supercool than either *Shaft* or *Shaft's Big Score,* partly because the location has shifted from New York to Ethiopia partly because John Guillermin has taken over from Gordon Parks as director. The result is a curiously amateurish-looking film whose lack of surface polish is compounded by a witless storyline and a gallery of perfectly appalling character performances. Frank Finlay as the slave-trading villain struggles with a foreign accent of undetermined nationality, Neda Arneric over-acts wildly as the nymphomaniac heroine, and Marne Maitland offers us yet another of his stock-in-trade sinister orientals. Only Roundtree emerges with much credit, and even he has to spend the first five minutes of the film walking around, for no discernible rhyme or reason, without any clothes on.

James Coburn and Kris Kristofferson

Mermaid

An Inspector Calls

by MICHAEL COVENEY

J. B. Priestley's 1945 symbolic melodrama, despite being set in a middle-class North Midlands household two years before the outbreak of the First World War, is revealed in this splendid production by Bernard Miles to be a powerful and totally engaging play about the awakening guilt of a generation reared on the efforts and lives of the underprivileged.

In addition, the profound split caused by this awakening within a family first seen celebrating renewed prosperity and an engagement in a dining room equipped with solid furnishings, cut glass and a Landseer painting, is in itself of considerable dramatic force.

The two strands are, in fact, inseparable. The mysterious arrival of the Inspector with his news of the suicide of an ex-employee of Arthur Birling triggers off a series of revelations in which every member of the household is implicated as a cause of the suicide: she had been dismissed by Birling, abused and jilted by his future son-in-law, shouted at in a shop by his daughter, impregnated by his raffish son and deprived of charitable relief on the say-so of his wife. The Inspector incites the confessional spree in a spirit of cold, dispassionate inquisition, occasionally pausing to reiterate the gruesome image of a young, burnt out body on a mortuary slab.

Theses have been written and legends invoked for many years by those anxious to determine the exact identity of the visitor. He has a nice line in wry, conciliatory humour, as well as a predilection for downbeat, Biblical phraseology: "It's better to ask for the world than to take it." His function is both catalytic and prophetic; his authority must appear *unquestionable, his* integrity beyond doubt. By casting Philip Stone in the part, the director has straightaway solved many problems. Mr. Stone brings a stylish deftness to his performance which offsets, even as he speaks, the incipient portentousness of his prophecies. He slips out of a shattered household dropping a reminder that their victim is one of many past and many to come, giving sinister understatement to his apocalyptic utterance, indifferent to the reactions of lamentation and self-condemnation.

The rest of the cast muster admirable support to this performance, achieving a high standard of ensemble playing; and an ensemble they need to be, for each has his moment and all must stand and listen for long periods. Sheila Ruskin as Birling's daughter comes through especially strongly, asserting after the Inspector's exit a new-found sense of resolve in the face of the world's injustices, scathingly dismissive of the attempts of father and fiance to *revert* to a bourgeois state of complacency on discovering the flimsiness of their visitor's credentials and evidence.

The production also negotiates with considerable tact some dangerously melodramatic corners: Miss Ruskin's abandonment of her engagement ring is convincingly, not mawkishly, distraught; and the weepy exit of Elizabeth Tyrell as Mrs. Birling on discovering the truth about her wayward son is almost touching. Sir Bernard has prefaced the opening lines of Acts 2 and 3 with a smart recap of the preceding Act's finale. What may sound here like a gimmick in fact serves to reinforce immediately after each interval the hushed and attentive involvement which the performance inspired in its audience.

Albert Hall

Boulez by MAX LOPPERT

Wednesday's Prom—of music by Schumann, Brahms and Bartok—was one of those occasions where interested observers could learn as much about the performers as music-lovers about music. In particular, they could learn a little bit more, even after all the time he has spent in our midst, about Pierre Boulez; about all the facets of his musical persona that continue to make him the most interesting musician in London. The three performances varied so extremely in quality as to fill in the complete spectrum of his strengths and flaws, warts *(and genius) and* all.

The only work in the concert's second half was Bartok's Concerto for Orchestra. I don't think I have ever before heard, even from Boulez, such a brilliant account of the piece (and this despite a number of fluffs from the BBC Symphony Orchestra's brass, who were throughout the concert in boisterous humour). The second movement, the *Gioco delle copie,* had all the memorable features in summary form: a complete comprehension of the contrapuntal fun-and-games, the formal wit, the coolly glittering sounds; an ability to elicit from the wind playing of feather-light limpidity and buoyancy of phrase; and, most important, a vital sense of the work's excitement to communicate to the audience, of the marrow as well as the bone in Bartok's highly wrought instrumental comedy.

It was a performance good enough to help one forget that, before the interval, of Brahms's D minor Piano Concerto. The soloist was Bruno-Leonardo Gelber, who has been heard here in this work several times before and who managed fitfully to remind one how good he has been on those occasions, in point of noble strong phrasing and delicacy *of tone.* But he had to struggle against an orchestral accompaniment that hardly varied in its graceless sound, its lack of any rhythmic impetus other than the note-to-note kind, its failure to comprehend the work's emotional world. Mr. Boulez's was an extraordinary demonstration of how a conductor can convey his thorough-going insensitivity to a particular work while never committing any overt errors. It was not a demonstration one would want repeated.

Midway between these two extremes of response came Schumann's seldom heard Opus 52—the Overture, Scherzo and Finale (the composer didn't wish to give it the name of symphony, in view of the absence of a slow movement; what a pity nobody at the time made Tovey's excellent suggestion of *Sinfonietta,* thus removing the rather cumbersome present title, with its overtones of bittiness and musical separatism). It's a lovable work, despite its obvious moments of over-energetic repetitiousness; though Mr. Boulez and the orchestra dispatched it punctiliously, with due regard for sprightly textures and clarity of ensemble, love—in the form of more spontaneous *rubato, keener appreciation of* passing melodic delights—was quite often felt to be missing.

Autumn season at Coventry

The season at Coventry's Belgrade Theatre opens on September 18 with *The Beaux' Stratagem.* Then follow Henry Living's *The Finest Family in the Land* (October 2); a new play by Lance Peters, *Assault with a Deadly Weapon,* set in an Australian university; and another new play, Hilary Tunnicliffe's *The Butcher.*

CINEMAS ARE CONTINUED ON PAGE 18

EUROPEAN NEWS

German Ford workers go back after 11 arrests

BY JONATHAN CARR

BONN, August 30.

THE FORD works at Cologne returned to normal to-day after final scuffles when a militant minority of workers tried to stop the majority from returning to the production lines.

Ford was the major remaining centre of unofficial strikes in the engineering industry which began about two weeks ago, mainly over demands for bonuses to compensate for the rising cost of living.

Talks due

With the unofficial strike wave tapering off, at least for the present, attention will now focus on a meeting to-morrow between engineering union and employer representatives at national level.

Agreement to hold the meeting came after a nationwide television address by Chancellor Willy Brandt, who urged restraint on both sides of industry and stressed the Government would stand by its tough anti-inflation programme.

Ford, which has been losing more than 1,000 cars a day through the stoppage, would have been back to normal yesterday following an agreement between workers and management on a cost of living bonus. Similar house deals have been agreed elsewhere in recent days.

But what a Ford spokesman described as a hard core of about 1,000 militants used threats to prevent work re-starting in two-thirds of the plant. When they tried to do the same early to-day scuffles broke out and police intervened, detaining 11 people—seven Turkish "guestworkers" and four Germans.

It was the dismissal by Ford of 300 Turkish workers who returned late from holiday which last Friday gave the initial spark to the dispute.

Other workers first sought only reinstatement of the dismissed Turks. But the demands quickly escalated—fanned partly by a radical Leftish minority, some of whom came from outside the Cologne area.

However, the leader of the engineering union IG Metall, Herr Eugen Loderer, warned to-day against trying to pin the blame for the overall troubles on radicals. He condemned the Ford disturbances but said metalworkers were very independent people, not influenced without cause.

Herr Loderer will be heading the union delegation to the talks in Krefeld to-morrow with leaders of the Engineering Employers Federation. The union is expected to urge earlier wage negotiations than planned as well as a more flexible wage agreement, perhaps covering six months rather than 12. The object would be to prevent wage increases falling out of line too quickly with rising living costs.

Sceptical

The employers currently view both suggestions with scepticism. They note that price rises in the engineering field have been well below the national cost of living increase which is about 8 per cent.

In advance of the talks, Herr Loderer has also called on the Government to institute price controls. He said this demand was all the more reasonable since the working man substantially helped put the Social Democrat-Free Democrat coalition back in office last November.

Further bid to overcome Bonn-Prague obstacles

BY JONATHAN CARR

BONN, August 30

WEST GERMANY to-day took further action which could help save from cancellation a planned visit to Czechoslovakia next week by Chancellor Willy Brandt.

The Bonn Foreign Ministry sent a note to Czechoslovak leaders which, it is believed, made yet another proposal aimed at resolving difficulties over West Berlin which have arisen between the two sides.

It is understood that the note, replying to a Czechoslovak communication earlier this week, has already been passed on through the West German trade mission in Prague.

The contents of neither has been disclosed, but officials say that for the present the question of Herr Brandt's visit remains open.

The Chancellor is scheduled to go to Prague on September 6 for the signing of a treaty normalising relations, after which diplomatic ties between Bonn and Prague would at last be established.

The treaty was initialled in June but since then problems have arisen because of differing interpretations of the Four-Power accord of 1971 on Berlin. Bonn feels that it is entitled to represent West Berlin institutions, as well as Berlin residents, through its consular services in Czechoslovakia.

Prague interprets the Berlin agreement more restrictively as do two other countries with which Bonn also has yet to establish diplomatic relations—Hungary and Bulgaria.

There has been little doubt here that the key to the problem lies in Moscow. Had the Soviet Union not been supporting the stand the three countries have taken, it is believed the question would long since have been settled.

Frankfurt overnight rates hit 20%

By Andrew Hargrave

FRANKFURT, August 30.

OVERNIGHT RATES in Frankfurt shot up to around 20 per cent. to-day from 12 per cent. yesterday and 7 per cent. earlier this week. The squeeze on liquidity, in complete contrast to the position last week, is largely the result of the banks' end-of-month obligation to match the deposits they hold with minimum reserves frozen at the Bundesbank.

The Bundesbank, true to its recent pledge to iron out extreme fluctuations in the money market, promptly renewed its offer to buy bills of exchange, charging 16 per cent. interest this time.

MUNICH AFTER THE GAMES

An Olympic hangover

BY JONATHAN CARR

A YEAR after the Munich Olympic Games, a deep brown stain is spreading slowly across much of the once fully translucent Olympic roof.

The problem is only one of the many facing those who, as I heard it put locally, hoped to dig gold from the Olympics but seem rather to have been digging their graves.

At the Olympic Village, hundreds of apartments due to be sold remain empty. At hotels which sprang up for last year's influx of visitors, many beds are unoccupied. Olympic officials blame builders, estate agents blame Government policy, hoteliers blame the Tourist Office. Despite it all Munich remains its fascinating self. But clearly there has been some magnificent miscalculation in a city where, for good or ill, things never seem to happen by halves.

The plexiglass Olympic roof has been controversial ever since its conception. Its cost soared from DM37m. to around DM190m. (about £32m. at to-day's rates) and it was discovered with dismay that it would cover less of the main stadium than had first been hoped. The staining affects not the plexiglass itself but a second material hung slightly beneath it. The heat between the two layers has at times reached some 90 degrees this summer—much higher than expected—causing the lower part gradually to turn brown. Officials responsible for the Olympic site are considering packing the space with glass wool so that the stains will not be apparent. But then light would not enter either. The architect says this interferes with his basic conception and TV cameramen fear that special lighting would become necessary when they film at the stadium.

Whatever solution is adopted, it will add significantly to the costs already involved in upkeep—about DM2.5m. annually for the 80,000-seat main stadium and similar sums for the Olympic hall and swimming baths.

As if this were not enough, city officials are now calling for modifications to the stadium following a riot there this month in which more than 140 people were injured. Thousands of impatient fans, still queueing for tickets when a football match was due to begin, burst into the stadium and blocked official entry and exit points. Now there are demands for more box offices, for numbered seats only, and a substantial force of police to curb any future disturbances. Police said the aesthetically pleasing stadium was splendid for the thousands of peaceful Jehovah's Witnesses who recently held a congress there. An impatient soccer crowd was quite another matter.

If the stadium has trouble in keeping people out, the Olympic village just to the north is having serious difficulties in getting inhabitants in. Of the 2,621 apartments up for sale at the site, hailed as providing "a way of life for the future," only 43 per cent. have been taken. Even this figure understates the sense of a ghost town which one perceives when walking around the area. Most of the apartments sold so far have been the smaller ones of up to two rooms. Some 80 per cent. of those with three to six rooms remain unoccupied.

The concerns trying to sell the flats have come in for much public criticism on the grounds that they unfairly boosted prices. This cannot be fully sustained. It is true that Munich first provided land cheaply to the builders of the Olympic Village, intending that the section for male athletes should be sold off cheaply after the Games. The optimistic vision was of Munich's most modern urban development being born of the Olympics and inhabited by people who might otherwise never have had the chance to live in such pleasing surroundings.

The original contract foresaw an average price of DM1,247 per square metre, but those disposing of the flats were allowed to increase this by a specified percentage should overall costs rise in the meantime. Costs have risen so sharply that the sellers are now entitled to ask DM1,839 per square metre. True some of the flats cost even more than that—but the average price works out about right.

Why then are there so few buyers in a fast-expanding city of 1.4m. people? The sellers point to the Government's battle against inflation and the resulting tightness of credit. Certainly it has been a factor. Another is rates which, at DM2.50 per square metre, are well above average. But beyond this there is another answer affecting particularly those in the highest salary range, who could be expected to take the most expensive apartments. The village is well outside the lively city centre, its underground road and air of a fortress tend to discourage passers by from wandering into the area. Those with large sums of money to spend may well be aiming either for the excitement of the city or the peace of the country—but not at a site in between whose prestige value has evaporated.

While the village is looking for inhabitants, so are Munich's hotels and guest houses. True this is a problem not only in Munich but in the whole of West Germany. The Germans themselves complain about the rising cost of living. But the upward revaluations of the D-Mark have simply placed many hotels beyond the reach of the foreign holidaymaker.

At the top end of the scale, a single room can cost £15 or more per night. At the lower-middle range a double room can cost around £10. With demand low, many hoteliers are open to bargaining. But even so, the number of families who can afford a few days at an hotel at these sorts of prices is strictly limited.

Only 794,000 people visited Munich in the first five months of this year, the latest period for which figures are available, against 805,000 in the same period of 1972, although those who came this year are staying slightly longer. But before the Olympics there was a burst of hotel construction—including a Hilton, two Holiday Inns and a Sheraton. The city now has a total of about 25,000 beds, only about half of which are being filled. The biggest hotel concerns can ride out the current difficulties, but it cannot be excluded that some smaller hotels may go to the wall. One has already closed. But there were special factors involved which indicate that it may not have marked the start of a general trend.

Some hoteliers point an accusing finger at the Munich Tourist Office. It is claimed that too little is done to attract visitors, either for a holiday or for conventions. Following the Olympics, it is alleged, Munich has sunk into complacency.

> "Clearly there has been some magnificent miscalculation in a city where, for good or ill, things never seem to happen by halves."

To attract more overnight visitors, Munich offers a special scheme called "Autostop." Under it, a motorist receives an hotel room with breakfast, a guaranteed parking spot, a 24-hour ticket for unlimited use of public transport, free access to galleries and museums and entrance to the Olympic Tower for prices ranging from about £6 to £8 per night.

It is perhaps surprising to learn that yet another hotel, with 1,400 beds in 600 rooms, is to be opened in the autumn. But this one, run by several airlines, is trying to keep costs and prices down by cutting frills and providing modern but simple rooms and a self-service restaurant. It could have considerable success attracting those tourists who pour down from the north on their way to Austria, Italy or Yugoslavia and merely want an overnight stay in a convenient spot.

However, there is another development under way which could adversely affect the overnight tourist traffic in Mun[...] The city has justly had a rep[...] tion as a difficult point to [...] verse by car. Motorists ma[...] for the south and approac[...] from the north, on the Nu[...] berg Autobahn, or from [...] north-west from Stuttgart, a[...] present unable fully to by[...] Munich. They are drawn [...] a ring road often choked [...] traffic and complex in its [...] posting. Many motorists, [...] warned, decide in advance [...] to try a further journey bey[...] Munich the same day. Now [...] is under way on an Autob[...] Ring which will en[...] motorists to bypass Munich [...] pletely. The stretch betwe[...] Nuremberg and Salzburg [...] bahns will be ready by the [...] of 1975 and the stretch to [...] Stuttgart Autobahn by the [...] of 1976. It will then be easi[...] go round Munich than to go [...] it. Not only hoteliers, [...] restaurateurs and shopke[...] fear many tourists may do s[...]

That would be a pity. Des[...] its present problems, Mu[...] remains one of the most at[...] tive of cities. It is big eno[...] to contain an art gallery, sc[...] museum and opera house [...] world distinction. Yet in [...] minutes' drive you can fin[...] inn by the river where [...] trout is served and big city [...] seems as remote as the moo[...]

Such failings as Mu[...] possesses often seem to be [...] result of a zest which b[...] many benefits but is occasio[...] misdirected. If something se[...] like a good idea in this [...] someone always seems [...] available to try it out. On[...] example. There is argu[...] over the "Citta 2000"—a mo[...] block of boutiques, restau[...] and a cinema which is a [...] meeting point in Schwab[...] Munich's Chelsea. For [...] part of the Citta has la[...] proper fire precautions and [...] future is in jeopardy. But [...] appointment vanishes at [...] mention of "Schwabylon[...] red and orange constru[...] nearing completion which [...] intended to be a cross betw[...] Schwabing and Babylon, a [...] pect at which the mind bog[...] If the Citta disappears, [...] enthusiasts say Schwabylon [...] offer even more, and if it [...] not—something else will turn [...] In Munich they do not sit d[...] and weep for long.

EEC Commission studies U.K. aid for new Hawker jet

BY LORELIES OLSLAGER

BRUSSELS, August 30.

THE BRITISH Government has informed the European Commission of its intention to provide launching aid for the Hawker Siddeley 146 feeder airliner, which is to be developed for service in 1976-77. The Commission has to be notified of such aids under the Rome Treaty, which forbids State aids to industry that could distort competition in intra-Community trade.

The commission will now examine the situation and give its opinion. In its message, the Government estimated that the HS 146 will be sold mostly outside Europe. It was probable that of 420 aircraft sold up to 1982 about 85 per cent. would go to non-European countries. If there was no new direct competitor to the plane, sales could reach 500 to 750 by 1985 and total 100 to 200 thereafter.

The message assured the Commission that it was British policy to promote a strong integrated European aerospace industry, capable of meeting European requirements economically and of competing effectively in the world market. For this, a healthy British aircraft industry was a prerequisite and the HS 146 was being regarded as an essential contribution to this objective, the message added.

The Rome Treaty does allow aids that promote the execution of an important project of common European interest. In looking at the British request, the Commission will bear in mind the effect the HS 146 will have on efforts to promote common European projects in the aircraft industry and also how much it overlaps with the French Mercure and similar Fokker planes, officials said.

Michael van Os, writes from Amsterdam: the decision by the U.K. Government has provoked an unusually sharp reaction from the German-Dutch aerospace group VFW-Fokker.

A company spokesman said that the HS-146's specification was very close to that of the newly-developed VFW-Fokker F 28 short-haul jet airliner, for which 68 orders have so far been received. The conclusion is therefore, that the two aircraft will be directly competing with each other, "in contradiction to what Hawker Siddeley has always maintained which was that the two planes were destined for different markets." This makes sales difficult not only for F28, but also for the British plane.

The spokesman added that the British decision to go ahead with the project was taken despite lobbying for the F28 in British Parliamentary circles by Fokker executives and several efforts at top Dutch Government level to deter the British Government from supporting the Hawker project.

Reading a prepared statement, the spokesman added that the British decision was "incompatible with any reasonable European policy regarding the development of new planes." VFW-Fokker believed that the creation of such a policy is urgently necessary within the framework of a European union.

Sharp fall in Shannon passenger traffic

BY DOMINICK J. COYLE

DUBLIN, August 30.

PASSENGER TRAFFIC through the Irish international airport at Shannon declined by some 25 per cent. in the three peak summer months June to August and is now threatened further by the Government's decision (already announced) to permit one U.S. scheduled carrier access to Dublin.

Aer Rianta, the State airport's authority, is launching a special study into the causes of this decline, and airport employees are being offered cash incentives for ideas to increase productivity and the general level of business.

While the violence in Northern Ireland is still seen as a significant cause for the marked decline in passenger landings, the Shannon action committee, which includes regional political representatives and trade union officials, believes that the Government itself could do much more to remedy the problem.

In particular, the committee believes that more charter traffic could be directed to the airport, although it is acknowledged that tighter controls by the U.S. Civil Aeronautics Board over charter business in general has been a serious blow to Shannon.

Naples cholera outbreak

NAPLES, August 30.

SIXTY-SEVEN people were being treated for cholera in Naples to-day amid suspicions that the disease, which has already killed seven here, may be spreading to Rome.

Italian authorities yesterday told the World Health Organisation in Geneva that what had previously officially been termed "acute gastroenteritis" was in fact a form of cholera.

Seven people have been placed in isolation wards in Rome for gastroenteritis, but officials say there is nothing to indicate they are suffering from cholera.

Meanwhile in Naples, where the epidemic broke out a week ago, scores of demonstrators uprooted trees and set fire to rubbish to protest against the lack of sanitation measures in their area, although 60 tanker lorries have been spraying main roads and back streets with disinfectant.

Sea bathing has been banned by local authorities all around Naples, while inhabitants were urged not to eat raw vegetables which can carry the cholera virus.

The disease is suspected to have been brought to Italy from Tunisia, where 19 cases were reported earlier this summer.

As of now, countries visited by travellers from Italy may demand them to be vaccinated before entering. Vaccination is not compulsory, but travellers refusing shots would risk being refused entry.

Reuter

Finland faces difficult autumn

BY LANCE KEYWORTH

HELSINKI, August 30.

FINLAND HAS been aroused from its traditional summer torpor more rudely and somewhat earlier than usual. Parliament will reconvene on September 3, costing MPs a good week of their vacation. Employers and unions have already started their promised consultative meetings to find a solution to the seriously deteriorating state of labour relations.

The problems, both political and economic, are many and difficult. They are, moreover, the same problems that were causing concern a year ago. As then everything hinges on the signature of the Finnish agreement with the EEC on free-trade in industrial goods that was initialled in July 1972. Now, at last, there seems to be some progress on this issue, but the operative word is still "seems."

Not simple

The Finnish Foreign Minister, Mr. Ahti Karjalainen, has suddenly announced that Finland will be ready to sign the EEC agreement at the end of September or beginning of October this year. But things are seldom simple in Finnish politics. The Social Democratic Party Congress last year declared that it could only support the EEC agreement if a package of "protective" economic laws was enacted first.

The proposed laws call for permanent powers enabling the Government to maintain price and rent controls and prevent distortion of trade, for compulsory counter-cyclical deposits by companies in boom periods, a levy on certain corporate windfall profits (e.g., after a devaluation), etc. They all require under the provisions of the Constitution a five-sixths majority in Parliament. Either the Conservative Party (with 34 seats out of the 200) or the Communist Party (37) alone can block their entry into force at any rate until after the next general election, which would ordinarily be in 1976.

President Urho Kekkonen, who is believed to want to have the agreement signed as soon as possible, has summoned the Communist and Conservative leaders to discuss the situation with him. The latter are prepared to support the bills provided they are amended on certain points. The Communists are still adamantly opposed, although the bills will be the best protection for the workers that can be hoped for in the circumstances.

This is the dilemma facing the Prime Minister, Mr. Kalevi Sorsa, who is secretary of the Social Democratic Party. If the EEC agreement is signed in the next few weeks but the controversial Bills are delayed until after the next election, what does he report to his party executive? The fate of the Government may hang on this issue, indeed so may the life of the present Parliament which was returned only 20 months ago with a four-year mandate.

The vital labour market talks now in progress and collective bargaining for the period after March, 1974, when the current labour contracts run out cannot make any real headway until the participants are assured of the fate of the economic laws. Yet both the employers and the unions are agreed that they must urgently find some way out of the chaotic state of current labour relations.

Inflation has been going at a 7 per cent. rate, and this year by 10 per cent. Union leaders have begun to lose control of militant groups. Strikes have become commonplace—over 2m. working days have been lost this year already. The breakdown of bargaining at central level this year and the reversion to "auction bidding" by individual unions resulted in what has aptly been described as an "instructive rumpus."

Industrial workers won an increase in earnings averaging about 13 per cent. (including 3 per cent. wage drift) for the 12-month period ending in March, 1974. The estimated cost of living increase in the same period is at least 10 per cent., leaving a 3 per cent. increase in real earnings. From this must be deducted a larger income tax bite than last year because of the sharply progressive assessment scale.

Pompidou quiet on Bonn issue

BY RUPERT CORNWELL

PARIS, August 3[...]

PRESIDENT POMPIDOU is remaining inscrutable on the vexed question of Franco-German relations, debated without cease since the provocative remarks three weeks ago of his Agriculture Minister M. Jacques Chirac that Bonn was "moving away from Europe."

After to-day's Cabinet meeting, the first since the dispute broke into the open, the Government spokesman M. Olivier Stirn denied that the issue had been discussed. "The dispute—if indeed there is a dispute—was not brought up to-day," he said.

It is now evident that Paris intends to keep her hand secret until the important meeting of EEC Foreign Ministers in Copenhagen on September 10 and 11, when her views on future relations between the Community and the U.S., one of the elements of the *mésentente* between Paris and Bonn, should become clearer.

However, President Pompidou did go out of his way at to-day's meeting to endorse the support given by his Foreign Minister M. Michel Jobert this week to future Spanish membership of the Common Market.

Quite apart from economic considerations—Spain is now the world's tenth industrial power—the President said that su[...] step would strengthen [...] Mediterranean or "La[...] element in the EEC, weake[...] by the recent adhesion [...] Britain, Denmark and Irelan[...]

Fresh talks begin in bid for Lip solution

BY RUPERT CORNWELL

PARIS, August 30

AFTER A week's pause, negotiations resumed to-day to find a solution to the four-month-old dispute at the bankrupt Lip watch company, amid widespread hopes that progress might finally be made.

Discussions between the two sides broke up at the end of a three-hour session to-day, and there was little indication how far they had advanced. They agreed to meet again at Besancon next Tuesday.

Since the last unsuccessful round of talks between the Government appointed "company doctor" M. Henri Giraud and the unions, both sides have modified their positions. However, the Lip issue continues to excite opinion ranging from sympathy action in other French industries to heated and highly learned exchanges of views in newspaper columns.

M. Giraud himself has had further talks with the industry Minister M. Jean Charbonnel and the proposals he took with him differ from the revised original plan of the Minister, which formed the basis for last week's fruitless discussions.

It now seems that the State will, as the unions wish, take an overall majority stake in the four companies to replace the former Lip. For the future watch making unit, a capital of some Frs.25-30m. would be involved, split between the Government-backed industrial development institute IDI, the Swiss Ebauches S.A. and the Societe de Developpment Horloger.

For their part the unions have adopted a more constructive tone, though still insisting that the situation at Lip offers an ideal trial ground for the "worker control," dear to the CFDT union in particular, that flourished briefly at Besançon before the police took over the plant early on August 14.

Perhaps most significant may be the direct call by M. Georges Seguy, head of the CGT, France's largest union, for the Lip men to "show their desire to reach a satisfactory negotiated solution as speedily as possible."

Despite the apparent narrowing of differences, one obvious stumbling block remains, in that the determination of the workers to keep Lip as one company has not been met.

Moreover, in a dispute that has set so many precedents, and opened up new lines of economic and social thinking, no one is under illusions that an overall answer will be found at once.

For example, a clandestine watch production line was restarted earlier this week, and the men are refusing to hand over their stock of parts plundered from the Lip plant before the police seizure. "Treasure hunts" around Besançon in churches and convents believed to be sympathetic to the Lip workers' cause have so far unearthed nothing.

KOSYGIN VISIT TO YUGOSLAVIA EXPECTED

BELGRADE, August 30.

Premier Alexei Kosygin of the Soviet Union will visit Yugoslavia in the second half of September, Government sources said to-day.

The visit is in return to one paid by former Yugoslav Premier Mitja Ribicic to Moscow in June, 1970.

The week-long visit of Mr. Kosygin is primarily aimed at reviewing economic relations between the two countries, the sources said.

UPI

Chile re-assigns lorries in new strike policy

BY DWIGHT PORTER AND HUGH O'SHAUGHNESSY

THE CHILEAN Government's new policy of calculated indifference to the 35-day-old strike by owners of private lorries, buses and taxis is due to take effect to-day.

Interior Minister Carlos Briones announced the Government decision to revoke the legal status of the Confederation of Lorry Owners and to assign it no more vehicles. The 1,300 new lorries and 2,000 taxis which had been offered as part of a settlement agreement are now to be assigned to regional organisations of hauliers and passenger transport operators whose members are "honestly ready to work," Sr. Briones said.

He said police protection will be provided for lorries on the road. Non-striking vehicles have been the target of hundreds of terrorist attacks since the conflict began. But the police presently guarding the lots where strikers' vehicles are parked will now be removed.

A last round of talks broke down yesterday between strike leaders and Air Force General Humberto Magliocchetti, whom President Allende recently appointed Minister of Public Works and Transport.

In a speech to the nation prior to naming a new Cabinet on Tuesday night, Dr. Allende called the strike "seditious." The Government claims that the strike and the recent wave of Right-wing terrorism are part of a co-ordinated plan by the Opposition to create chaos and to force a military takeover.

Anti-Government shopkeepers, doctors, dentists, engineers and white-collar workers are striking in support of the hauliers, trying to force Dr. Allende to change his Left-wing policy. Sr. José Cademártori, Dr. Allende's Communist Minister of the Economy, said yesterday that the strikes have no legitimate basis but are "part of the Opposition's general strategy."

Political reaction to Dr. Allende's new Cabinet has been mixed. The militant Socialist Party which has always had great reservations about military involvement in the Government, yesterday issued a statement of disapproval of the new Interior Minister, Sr. Briones. Sr. Briones who has a Socialist Party background, re-entered the Cabinet on Tuesday as an Independent, and is seen as one of the more moderate members of the new Government.

SANTIAGO, August 30.

The Right-wing National Party referred to the new Cabinet as "a despairing gesture to find a way of keeping a dying administration afloat."

More serious splits have been developing in the ranks of the opposition Christian Democratic Party, the country's largest single party, as its Left-wing becomes more vociferous about the Right-wing policies now being followed by the Party leaders, Senator Patricio Aylwin and former President Eduardo Frei. Both Sr. Radomiro Tomic, the party's presidential candidate in 1970, and deputy Bernardo Leighton, former President of the Party, have come up this week with statements of support for General Carlos Prats, former C-in-C of the Army and Defence Minister who, until his resignation last week, was one of Dr. Allende's most trusted colleagues. General Prats had been the target of many direct and indirect attacks by Christian Democratic Right-wingers because of his decision to collaborate with Dr. Allende's administration.

Between chaos and reform—Page 31

Foreign direct investment in U.S. rose in 1972

BY NICHOLAS COLCHESTER, U.S. FINANCIAL CORRESPONDENT

NEW YORK, August 30.

FOREIGN DIRECT investments in the U.S. rose by $708m. last year to $4,380m. at the year's end, according to figures put out by the Commerce Department to-day. This increase was almost twice that of the previous year, but somewhat smaller than the figure of $930m. a year averaged over the previous five years.

The foreign direct investment figures reflect reinvested earnings by foreign-owned U.S. companies, valuation adjustment and net capital inflows. The capital inflows, in turn, involve new investments, changes in inter-company balances, minus liquidations.

The FDI figures do not reflect the total value of foreign investments in the U.S., since these are heavily buttressed with internal borrowing in the U.S. capital markets.

Last year, new investments made a contribution to the overall figure of $302m. offset by an outflow, mainly in inter-company accounts, of $142m. The net capital flow figure of $160m. was then bolstered by reinvested earnings of $548m.

The British FDI figure increased from $4,400m. at the end of 1971, to $4,600m. at the end of last year. But the volume of new British investment that was funded from outside or by parent company borrowing in the U.S. dropped radically from $119m. to $23m. At the same time, British companies raised $19m. out of the country, mainly through inter-company balance changes.

The other members of the EEC maintained a rate of dollar investment of over $80m., but also arranged a greatly increased outflow of $145m. in other capital accounts. The Commerce Department spokesman noted that this shifting of inter-company balances perhaps represented speculation against the dollar.

Japan turned in some records last year by this rather balance-of-payments-orientated measure of FDI. Its new investments rose to a record $105m. from $19m. in 1971 and the previous record of $74m. in 1968. This helped to swing its capital flow figure from minus $512m. in 1971 to plus $58m. last year. The Commerce Department spokesman noted that there had been heavy amounts of prepayment by Japanese importers in 1971 and in the first quarter of 1972, but that this defence against the fall of the dollar had dried up thereafter.

Petrol dealers appeal on prices

BY GUY DE JONQUIERES

NEW YORK, August 30.

A GROUP of major brand petrol dealers to-day appealed to Chief Justice Warren Burger to reverse a lower court ruling confirming the Cost of Living Council's decision to impose Phase Four ceilings on petrol prices next Saturday.

The emergency petition is the latest move in a battle by the retailers to stave off the price ceiling which, they fear, would place many of them in a severe cost squeeze and drive them into bankruptcy. They have threatened that if the ceilings go into effect as many as 165,000 service stations will close down in protest during the coming Labour Day week-end, which is a major U.S. holiday.

The Supreme Court is in recess until October 1, though any single Justice may be petitioned to rule on an emergency basis. However, there was no immediate indication as to whether Chief Justice Burger would agree to rule on the case.

The Cost of Living Council's proposed regulations have been fought through several courts and the dispute culminated yesterday in a ruling by a special court set up to adjudicate over Phase Four, which upheld the council's position.

Under the proposed ceilings, wholesale petrol prices to service stations would be based on levels in force on August 12, while retail prices would be determined by the profit margins in force on January 1. A special clause provides that profit margins for retailers shall not fall below seven cents per gallon.

The retailers' complaint is that last January, when petrol was plentiful, many of them were engaged in price wars which had pared their profit margins to the bone, while wholesale prices have risen sharply in the meantime. In many cases, they argue, they would have to cut their prices and the seven cents per gallon margin is well below what they are now earning.

If the most recent court decision stands, there is some doubt as to how many service stations will, in fact, shut down in protest. The retailers have now exhausted their last legal recourse and many may be inclined to resign themselves to the Phase Four rules and to try to make up on the volume of sales provided by the heavy Labour Day week-end traffic what they claim to be losing in profits per gallon.

There is a certain irony in the fact that it is the brand name retailers, which bear the emblems of such major oil companies as Exxon, Texaco and Mobil, who should have been caught in a squeeze by Phase Four. Only a few months ago the independent retailers, which live by selling petrol at lower prices than the brand name stations, were complaining that short supplies and higher prices charged by the big oil companies for wholesale petrol were driving many of them out of business.

Retirement of Wilbur Mills possible

By Adrian Dicks

WASHINGTON, August 30.

SPECULATION THAT Mr. Wilbur Mills, the powerful chairman of the House Ways and Means Committee, may be forced to retire when his present term expires next year has increased here to-day following an announcement by the Congressman's office that he is to undergo an operation on his back tomorrow.

Mr. Mills, who is 64, has been suffering from a ruptured disc in his lower back for some months and has been obliged to miss many of the Ways and Means Committee's closed hearings on the Administration's Trade Bill. Last July he announced that unless the painful complaint could be relived, he would not run again next year.

To-day's statement from his office said Mr. Mills would be in hospital or convalescing for at least a month and it therefore appears unlikely that he can be back at work by the time hearings resume on the Bill early next month. Although the acting chairman, Mr. Al Ullman, has said he hopes to finish the hearings by the end of September, in the absence of Mr. Mills the committee's time table has been seriously retarded already and might be again.

Tom Bethell in New Orleans reports on a people trying to cling to its own language

Edwards the French

AMERICA by tradition is known *as a melting pot, but now some* of the separate ethnic ingredients, already almost fully absorbed into an American whole, are trying to reassert their original characteristics. Nowhere has this been more noticeable than in Louisiana, where a hitherto isolated cultural group, the French-speaking Cajuns, are making a last ditch fight to preserve a language, customs and traditions which were looked down upon in the past as betraying ignorance and un-Americanism.

Cajuns, a diminishing number of whom now actually can speak French, are descended from Frenchmen who emigrated from France in the 17th century and settled in Nova Scotia, part of what the French called Acadia. They were moved on from there by the British in the 1750s, and about 4,000 Cajuns (a corruption of Acadians), made their way to Louisiana. They multiplied and, more recently, prospered. There now are about one million French-speaking people in Louisiana, almost all of them living in rural areas in the southern part of the state. Last year, for the first time, one of their number became Governor of Louisiana. Governor Edwin Edwards (who concedes that Edwards is a Welsh name, but adds that his three other grandparents were named Bordelon, Laborde and Brouillette), has proved to be a popular governor.

Governor Edwards, who was sworn in at the Baton Rouge capitol where earlier governors had whistled Dixie and dwelt on segregationist themes, took the oath of office in French. Cajuns are noted for their *joie de vivre*, and 80,000 Edwards supporters came to the inauguration; record quantities of jambalaya, a fish dish, and of crawfish were eaten, and the dancing and beer drinking went on well into the next day. Now, after little more than a year, one hears talk of "Cajun power." Ironically, it comes at a time when the Cajun ways and customs — notably the language they speak, which is a partly archaic, partly ungrammatical version of French — are faced with extinction.

Assimilation

Perhaps the surprising thing, in view of the normally rapid pace of cultural assimilation in America, is that the Cajun tradition has lasted as long as it has. Partly this was because Southern Louisiana was well off the beaten track, and the Cajuns who lived there banded together in their common struggle to eke out an existence from the waterlogged, mosquito-infested terrain. As with the Jews, persecution may have contributed to solidarity and helped to perpetuate their customs. The Cajuns were frequently ridiculed as figures of fun who could not speak properly. In earlier years speaking French was officially discouraged in Louisiana schools; children were sometimes punished if caught speaking French in the playground.

Governor Edwards may have been thinking of that sort of thing when he was asked what Cajuns thought of having one of their own as governor. "They probably would not say it," he replied, "but deep down they probably think: 'He has proved that a Cajun is as good as anybody else.'"

The era of Cajun isolation began to come to an end around the time of the second World War. Oil had been discovered in the region, and it was not long before the big oil companies arrived (and filmed in a memorable documentary by Robert Flaherty, *Louisiana Story*), bringing with them affluence. About the same time came television, the most important homogeniser of them all. Roads were built, and soon enough the Cajuns—previously famous for travelling about in home-made canoes called *pirogues* — were driving cars like most other Americans. To-day quite a number of their cars display bumper stickers urging Cajuns to speak French whenever possible. It is still possible to find *elderly inhabitants of such rural* parishes as Acadia, Evangeline and Lafayette who speak nothing but French, but it is now much more common to find school children who (for the first time in 200 years) speak not much more French than *oui* and *non*.

In response, a mood of mini-nationalism has set in, and forces are at work to suspend, or even reverse, the action of the melting pot. One indicator has been the innovation of Cajun festivals, in a way these are reminiscent of the jazz festivals which abruptly started in New Orleans shortly after the demise of jazz in its native city appeared inevitable. Cajun festivals, now annual events, are country fairs with exhibitions of Cajun arts and crafts, and featuring live Cajun music which increasingly resembles Country and Western music of the common or garden variety. Pamphlets are distributed from booths manned by volunteers for the Council for the Development of French in Louisiana.

A formal programme has been established to reactivate the teaching of French—this time in the schools rather than in the homes. A delegation of French-speaking Louisianians flew to Paris last year and persuaded President Pompidou to help them. He agreed to expand the French Cultural Affairs Programme to provide teachers for Louisiana. About 150 French teachers have now been teaching the language here for a year, their salaries jointly paid by Louisiana and the French Government.

TV's role

This programme will be continued, and expanded, in the year ahead. Some observers are optimistic about its chances of reinstating bilingualism, especially since there are now also plans to show French-made television programmes of the soap opera and detective thriller genre in Southern Louisiana. After all, television was the principal villain in the first place. Others, less optimistic, regard the programme as one that will, at best, delay the inevitable. One cynic—or realist—put it thus: "Perhaps the best way to preserve the Cajun identity would be to subject them to a mild form of persecution once again."

Shultz optimistic about monetary reform outlook

BY ADRIAN DICKS

WASHINGTON, August 30.

THE U.S. Administration is now putting the word about that it sees excellent prospects for agreement on the general shape of a new international monetary system at next month's Nairobi meeting of the International Monetary Fund.

Mr. George Shultz, Treasury Secretary, is understood to have predicted as much yesterday when, for the first time, he met the 14-member panel of leading businessmen and bankers formed to give the Administration advice on the practical aspects of the reform process.

But one of the points made by Mr. Shultz, and set out in a recent position paper by the Treasury, is that the U.S. will continue its campaign for a reform of the IMF itself that would suit it better for the active role in the management of the new monetary system that many countries now wish to allot it.

The U.S. sees a need for strengthening the Fund in two ways. First, it wants to see effective disciplinary procedures built into the new system, though it now appears willing to soften considerably its earlier view that these should be brought into play automatically rather than activated through consultations. The position paper states:

The second point at which the Americans want to strengthen the Fund is by giving it a new body composed of people "of political stature and responsibility" from member Governments who could take key policy decisions. At present, the U.S. feels, there is a vacuum in the IMF hierarchy between the annual meeting of the 120 Finance Ministers who make up its Board of Governors, and the Executive Board composed of senior financial diplomats.

The U.S. has raised the matter before now, though it has not received a great deal of discussion within the Committee of 20 which has been carrying out the reform negotiations. However, it is felt here that the need for a small, relatively flexible committee of top national civil servants or even Ministers will be felt increasingly as the negotiations move, after Nairobi, into the practical stage.

The Treasury paper makes it clear that the U.S. does not have any particular arrangement in mind, and suggests that the need could be met by a revamped Executive Board, a new "Executive Committee," a continuation of the Committee of 20 either at Ministerial or deputies' level once its present task is complete. The U.S. is, however, likely to raise the matter when the deputies meet next month in Paris for their last round of talks before the Nairobi meeting.

Nixon nominated for Nobel Peace Prize

OSLO, August 30.

PRESIDENT NIXON and President Tito of Yugoslavia are among candidates nominated for this year's Nobel Peace Prize, informed sources said to-day. They said 50 prominent people in various countries had proposed President Nixon.

The 81-year-old Yugoslav leader had been proposed by Syria's Prime Minister, Mr. Mahmoud Al-Ayoubi, and Denmark's Foreign Minister, Mr. Knud Andersen, and its former Foreign Minister, Mr. Poul Hartling.

Mr. August Schou, director of the Nobel Institute here, confirmed that 47 candidates had been put forward, about the same number as last year when the Peace Prize Committee, appointed by Norway's Parliament, decided for unknown reasons not to award any prize or the prize money to the Nobel Fund.

West German Chancellor, Willy Brandt, was awarded the 1971 peace prize.

Mr. Schou said this year's prize money amounted to 510,000 Swedish crowns. With the prize money go a golden medal and a diploma.

A decision who will receive this year's prize is expected to be announced in October.

A campaign has been waged for some time in the Scandinavian Press in support of proposals to award the prize to Dom Helder Camara, the most outspoken preacher of social reform in Brazil's Roman Catholic hierarchy, who is Archbishop of Olinda and Recife.

Among those supporting the archbishop's candidacy are 40 Social Democratic members of the West German Bundestag. He is also proposed by Nordic Catholic bishops and Brazilian workers.

Among those with the right to *submit proposals are Swedish and* foreign members of the Royal Academy of Sciences, members of the Prize Committee for the Alfred Nobel Memorial Prize in Economic Science, recipients of the economic prize, Professors at universities and colleges in the Nordic countries and holders of corresponding chairs in at least six universities.

Reuter

'£1.2m. ransom demand' in Paraguay kidnap

ASUNCION, August 30

SECURITY FORCES threw a dragnet around the Paraguayan capital to-day combing for clues in the kidnapping of an Anglo-Argentine businessman by Left-wing Argentine urban guerillas.

The Marxist People's Revolutionary Army (ERP) which claimed responsibility for the kidnapping of Mr. Ian Martin on Monday night, was reported to have demanded a ransom equivalent to £1.2m. for his release.

Sources in the Liebig Extract of Meat Company, for which Mr. Martin, 35, worked as manager of its cattle ranches in Paraguay, said the kidnappers wanted $2m. plus Pesos 10m.

The sources said the ERP made the ransom demand and outlined arrangements for it to be paid in a communique left in Mr. Martin's car when he was snatched near the entrance of Liebig's cattle ranch on the outskirts of Asuncion.

In London, a spokesman for the Brooke-Bond Liebig group said the company had indicated it was prepared to negotiate for Mr. Martin's safe release, but so far it had not been contacted by the kidnappers.

Company sources here said it was understood that if the ransom was paid Mr. Martin would be released in neighbouring Argentina.

Earlier this week it was believed that Mr. Martin might already have been taken from Paraguay to Argentina.

Mr. Martin was born in Argentina and spent many years in Uruguay. When he was kidnapped he was on his way to a ranch on the Paraguay River, where he lives with his wife and four children.

Reuter

Bethlehem Steel seeks price rise

BETHLEHEM STEEL Corporation asked the U.S. Cost of Living Council to allow it to raise steel prices 4.68 per cent.

Chairman Stewart S. Cort told officials at hearings on the steel price request that without the increases, "our present financial performance does not justify massive investment" in additional steel production facilities.

Mr. Cort said if, during the current high-level steel demand, the company cannot achieve the rate of earnings needed to encourage expansion, "the prospects for future steel supply in this country are grim."

He noted that major capital spending projects in the steel industry need about three to five years before they can be put into operation.

AP-DJ

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OCEANOGRAPHY

Big exercise in North Sea

MORE THAN 100 measuring instruments deployed by 22 vessels are expected to be laid by September 10 in a big exercise in the southern North Sea involving oceanographic organisations in the U.K., West Germany, Holland, Belgium and Sweden.

Known as the Joint North Sea Data Acquisition Programme—JONSDAP '73—the exercise will meet the needs of several research projects in the participating countries involving tides, storm surges of sea water, water current vectors, circulation and mixing, and pollution.

A basic practical outcome of the programme will be a greater knowledge of the movement of water in the area under various conditions of tide and weather so that, for example, larger ships can be more safely or efficiently operated in what is an increasingly congested area. Increased information about possible storm or tidal damage on coastlines and the movement of pollutants is also a likely outcome.

In the U.K., official oceanographic, hydraulics, hydrographic, fisheries and water pollution research bodies are involved in the programme, together with the London and Medway ports authorities and three colleges and universities. Thus the interests of marine dynamics, fisheries research and marine chemistry are brought together in a programme which is the largest of its kind yet mounted in these waters.

A particular objective is the development of a mathematical model of the marine system in the above disciplines over the Southern Bight and to do this it will be necessary to obtain simultaneous series of measurements over a period of time, expected to be at least 40 days.

Among the instruments to be used will be some 90 water current meters, 20 bottom-mounted off-shore tide gauges and three automatic buoys.

A special experiment will make use of a cross-channel Post Office telephone cable to monitor the mass transport of water across the Straits. Salt water, a conducting mass, moving through the earth's magnetic field at any point produces an emf. This will be sensed at points on the cable and the voltage measurements used to give mass water transport, after calibration against the other instruments in use.

The technique is not new, but if it can be sufficiently refined could prove a low-cost alternative to the laying and recovery of submerged instruments.

Turbidity, salinity, temperature, trace metal content, and the spatial variability of currents are also to be studied.

GEOFFREY CHARLISH

● TEXTILES

American solvent dyeing here soon

THE AMOUNT of water required for textile dyeing and finishing processes is very considerable and for some time efforts have been turned towards the development of solvent-based processes. One or two British companies are already operating with dyeing and finishing systems of this type.

But now the Americans are rapidly perfecting techniques which, quite apart from circumventing the water resources factor, are reported to be demonstrating quite remarkable advantages over the traditional aqueous-based approach.

Typical of these is a process developed in the U.S. by Textile Technology, Inc. (P.O. Box 41221, Indianapolis, Indiana 46241) which is now to be launched in the U.K. and Europe.

Called the Chroma process, it has been developed for dyeing and finishing both knitted and woven fabrics, and it is claimed to cut by one-third the cost of bleaching, scouring and dyeing while increasing processing speed by as much as 400 per cent.

Closed circuit

Important considerations in the development of solvent dyeing and finishing processes are process technology, equipment design and a mass recovery system for the solvents. Using a "closed circuit" dyeing technique involving solvents such as perchlorethylene instead of water, the Chroma process is claimed to satisfy all these requirements, and in all cases commercially available dyestuffs can be used — even for the newer fibres such as polyester.

Several months ago, Textile Technology negotiated a multi-million dollar contract and licensing agreement with Mitsui and Co., a leading Japanese concern which is now marketing the technology and equipment throughout Asia. With the already successful establishment of the Chroma process in the U.S. and Japan, the company is now ready to negotiate with prospective sales representatives in the U.K. and Europe.

Textile Technology sees among its longer-term objectives the establishment within the Common Market of a subsidiary corporation to cover the sales network, and a manufacturing facility to serve the area.

The U.S. company has now launched five systems based on the main process: Chroma 1, which provides distillation and accessory equipment for solvent scouring textile products in all types of applications; Chroma 2, comprising discontinuous dyeing equipment, becks, beam and yarn dyeing units; Chroma 3, semi-continuous system for jet dyeing fabrics and utilising a continuous solvent scouring range; Chroma 4, for atmospheric dyeing of all types of full-fashioned knitted garments; and Chroma 5, a continuous solvent process for dyeing non-woven materials.

● HANDLING

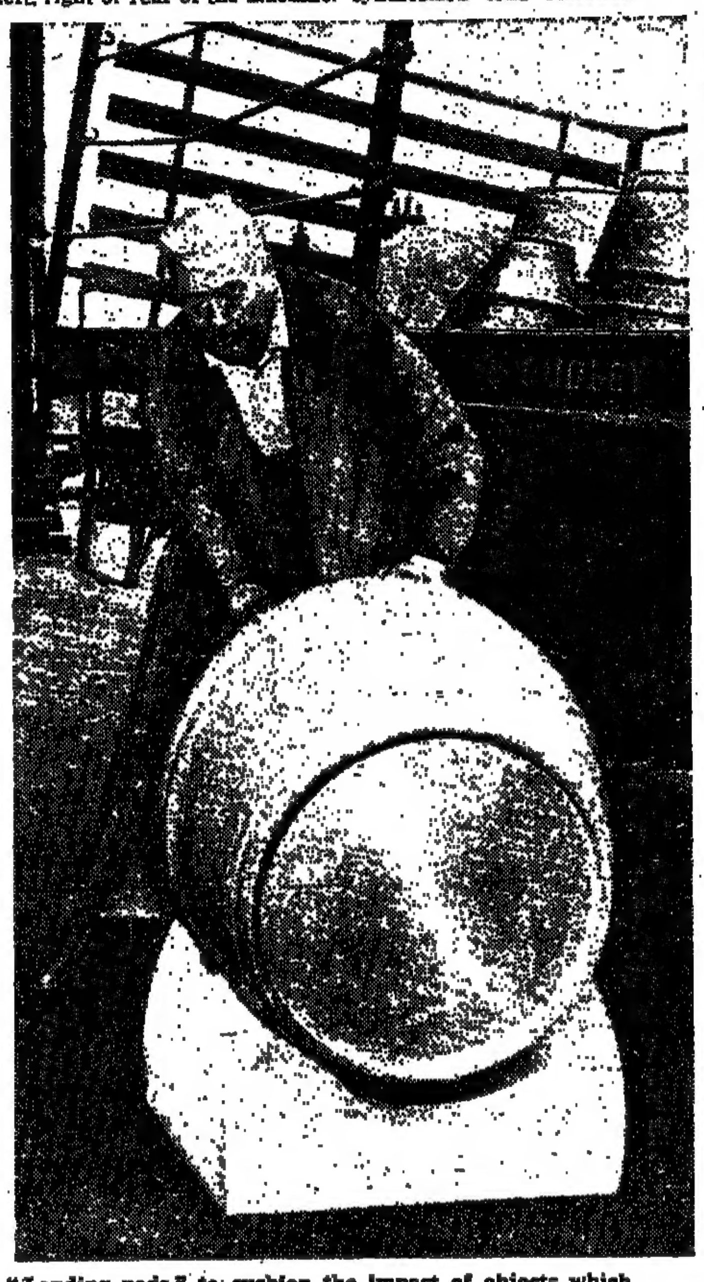
Small refuse systems

REFUSE FROM a block of flats or shops, an hotel or an average size supermarket can be handled by the latest compactor — the P-512 — now being produced by Anchorpac, Bell Lane, Amersham, Bucks.

Once installed the P-512 system can be relied upon to compact 30 cubic yards of unsorted refuse hourly, packing all waste matter into hygienic sealed containers, says the company.

When a chute system is incorporated the time-consuming need for manual handling in a large building is virtually eliminated and even during exceptionally hot summer periods there is no risk of smell, rodent infestation, or fire in densely populated urban environments.

The need for maintenance is said to have been greatly reduced by the modular system of construction which incorporates an electric motor, pump, control valve and filter all centrally mounted on one common bracket. The control panel can be located left, right or rear of the machine.



"Landing pads" to cushion the impact of objects which have to be dropped when loading or unloading are now being produced by British Vita Cellular Cushioning. Called Vitapads, they are made from a range of low-resilience polyether foams with sheets of protective elastomeric sheets bonded to the top and bottom faces to protect the foam from sharp edges of barrels or other loads. One of them is shown here under test in Wolverhampton and Dudley Breweries.

● AUTOMATION

Checks on complex devices

THE FIRST British installation of a Sentry 600 computer-controlled high-speed electronic test system is being completed by Fairchild Automation Systems, of Isleworth, Middlesex. The cost is in the region of £100,000.

The system will be used by Burroughs Machines at their Cumbernauld (Glasgow) factory. It will initially be applied to testing incoming large scale integrated circuits for use in a range of mini-computers. The test applications of the Sentry will, however, be gradually extended.

The 600 is the most sophisticated of the Fairchild series. A high-speed computer-controlled system, it tests, measures, characterises and analyses all parameters of large scale digital circuits—bipolar, MOS, logic and memories, single chips and completed assemblies. The 600 performs functional tests at up to 10 MHz data rate and at greater than 20 MHz four-phase clock rate. It can be programmed to test modules at much greater severity than they will expect to meet under normal operating conditions.

Complexity

The time taken for a complete test, which can include many tens of thousands of operations at varying frequencies, voltages and waveforms, depends on the complexity of the device.

An example of the operating speed is in testing a 1024-bit random access memory, when more than 4m tests are carried out in less than one second. This high speed of operation substantially reduces the cost-per-test.

The Burroughs installation is extremely versatile and though the initial application will be for MOS LSI testing, the machine offers the possibilities of expansion to perform much more work, including the check-out of complete assemblies.

The mainframe includes the computer, with a 16K 24-bit core memory, with direct memory access. Additionally there are control and display panels and power supplies. A high-speed controller unit contains the 60 by 1024-bit random access memories necessary to test LSI devices at the 5 MHz functional rate, together with other control circuitry.

This in turn controls the manual test station, configured for 60 pins and carrying the pin electronic cards, radially placed round the test head to reduce capacitance of leads to an absolute minimum. Peripherals include an 18-megabit disc memory, card reader, video keyboard terminal, printer and magnetic tape unit.

The software supplied with the 600 provides the necessary system diagnostics, executive programs, and a tester verification package. The comprehensive documentation includes software manuals, schematic diagrams and all available information to assist the user.

The verification package supplied is a device and program which has been tested by the manufacturers on that individual Sentry machine and which checks all internal systems. After installation of the Sentry 600, the verification package proves the accuracy of operation in all modes.

Although this is the first Sentry to be installed in Britain, extensive activity has been aroused by the system throughout Europe. A Sentry 600 is operating at the HAFO company in Sweden; the Olympia and National Cash Register organisations in Germany are using similar systems.

The French centre of Burroughs Machines is using a Sentry 400/600, and a 600 is now being installed for Honeywell in France. A further five Sentry systems are on order for delivery in Europe this year.

● POWER

Grants for new motor research

TWO AWARDS for research into superconducting AC generators totalling about £78,000 have been made by the Science Research Council. They are the first of a number of grants that the Council expects to make in this area.

Over three years £33,161 has been awarded to Dr. C. A. Bailey at Oxford University for research on helium flow and heat transfer in a rotating reference frame. Dr. Bailey will be carrying out a programme to study the factors affecting heat transfer to and flow of helium fluid in rotating tubes. The information will be required for the design of cooling ducts in a generator containing a rotating, superconducting DC excitation winding.

Also over three years, £44,883 has been awarded to Professor P. J. Lawrenson for work on the dynamic performance of superconducting AC generators. Professor Lawrenson will make a general study of terminal performance and will examine short-circuit, load-changing, negative-sequence and stability behaviour by means of modelling using digital and analogue computer techniques. This will involve the determination of the effective impedence of all parts of the machine. The results will be used to determine torques, forces and other criteria essential for machine design.

Commutator corrosion

IF INFORMATION on contamination of electrical machine commutators by hydrogen sulphide, sulphur dioxide, chlorine or other chemicals indicates that a general and significant problem exists, the Electrical Research Association at Leatherhead is likely to consider a multi-client investigation to find a solution.

It is important that a thin oxide layer should adhere firmly to the commutator surface to achieve low level sparking, low brush-wear, and generally good commutation. As the skin is formed by a chemical process, the presence of other chemicals can upset its formation or retention. A typical and particularly difficult chemical in this respect is hydrogen sulphide which is frequently found in significant quantities in sewage treatment works and also in petro-chemical installations.

A number of specific instances of operational problems have come to the attention of ERA recently, arising from contamination of the commutator skin by hydrogen sulphide, and these problems have been manifested by excessive brush-wear. Associated problems are unequal current distribution and brush-wear, and increased friction leading to copper "picking" and commutator grooving and wear.

● TELEVISION

Simplified colour playback

TELEFUNKEN-Decca is showing a colour TV playback system at the International Radio and Television Exhibition which opens in West Berlin to-day.

Called TED, the unit is connected to the antenna socket of a TV set and reproduction on the screen from a paper thin record is via a stylus. The 21 centimetre diameter disc runs for ten minutes. It is pliable, said to be quickly and cheaply produced and can be included as an advertising supplement in newspapers and magazines.

Deliveries of TED in West Germany are to begin in January from Telefunken factories and Scandinavia is to be supplied shortly afterwards.

TELDEC, jointly owned subsidiary of AEG-Telefunken and Decca, says that the British market is to be supplied at a not yet determined date.

In West Germany nearly all colour TV sets are bought outright so rentals of TED there are not planned. Suggested retail price for the playback unit is DM1,050 and discs will cost between DM10 and DM25.

A disc-changing unit, already developed, is to be introduced sometime in the future to enable reproduction of full length plays and feature films. A break of about five seconds occurs between disc changes. Discs are fed into the replay unit together with their sleeves. The record is separated from the sleeve in the machine and after play is ejected again inside its sleeve.

The set gives instant replay of very brief segments and the operator is able to locate quickly earlier portions of the disc for replay. The version about to be marketed does not have slow motion, nor can pictures be arrested.

TELDEC says it will have about 180 different discs in its first catalogue ranging from entertainment to popular science, job training and education.

The company conceives its primary market as being largely interested in short productions. It hopes to sell about 1½m. units in West Germany by 1980.

● INSTRUMENTS

Two-tone generator

RACAL Instruments has introduced a new two-tone generator Model 9063, which complements the precision RF synthesized signal generator system introduced earlier this year. Designed primarily as a precision modulation source, the 9063 provides a solution to SSB servicing and alignment problems.

An entirely self-contained instrument covering the 10 Hz to 100 kHz frequency range, the 9063 provides a highly-stable synthesized tone referenced to an internal crystal standard and a second tone derived from a tuneable oscillator. The two tones may be used independently or combined.

The instrument provides outputs from 100 microvolts to 10 volts with low hum and spurious content. The 9063 is 88 mm high, 483 mm wide and 406 mm deep and weighs 13.7 kg.

Controls many types of system

WITH THE introduction of four new types of central heating programmer-timer units, the re-styling of the existing Centroller 10 (now called the Centroller 100) together with the availability of a range of room and hot-water cylinder thermostats and water flow valves, Smiths Industries' industrial instrument division is now claiming to be one of the few, possibly the only manufacturer able to offer a package of these items to suit almost any type of domestic central heating system, including many varieties of retrofit jobs.

The new items are the Centrollers 30, 30 plus, 70 and 90. The "30" is merely a basic 24 hour repeater time switch allowing two "on" periods during the day or continuous operation. It is intended for gravity or pumped systems. The "30 plus" is for fully pumped systems needing control of priority flow.

The Centroller 70 has been designed for use on gravity hot water, pumped heating systems. The device automatically ensures that the boiler is always energised when the pump is running. Basically the hot water supply is timed (or continuous) and then when the heating switch is set to "ON" the heating programme follows that for hot water.

The "90" is intended for fully pumped primary systems and independent programming of hot water supply and heating is possible, if the rest of the system allows this.

The "100" provides push-button selection of ten pairs of conditions for the hot water and heating and can be used with gravity hot water or fully pumped systems.

Checks the waste flow

THE FINNISH company Ulmaelektro Oy can now provide a range of complementary instruments which can be used to measure and control the flow-rate dependent processes and sampling, and the pH value of waste water both on site, and in centralised control rooms.

The equipment is the Ultronic 100 range and includes sensors needed to detect flowrate and to measure pH value without the use of pH electrodes. Central control units which generate control signals, signal conditioning units, control function generators to drive pumps and valves, and automatic samplers complete the range of 20 instruments.

Except for the samplers and field instruments, all the units are of modular construction and can be grouped together to form a centralised control panel.

Ulmaelektro is at Palkaneentie 20, SF-00510 Helsinki 51, Finland.

● PROCESSES

Blasting off the scale

ADWEST OF Reading, Berks., has taken delivery of a Vacu-Blast "Scalomatic" blasting plant which is the first of a range of standard units incorporating its recently introduced tubular wheel.

The plant which is to be used by Adwest to remove heat scale from power steering components caused by a previous hardening process, is of the rotary table type. The main table is 1500 mm in diameter and four auxiliary planetary tables of 500 mm diameter are incorporated to facilitate the easy loading of the components.

A feature of the Adwest plant is the "tube" wheel which provides far greater hitting power than the traditional bladed type. Additionally, the fact that each of the tubes can be rotated to give eight wearing surfaces means that running costs are reduced significantly and machine maintenance times cut.

Vacu-Blast which is part of the Allied Polymer Group will shortly announce several other standard centrifugal plants. All will incorporate the new tube wheel.

● COMPUTERS

CEGB speeds its data operations

COMPUTING facilities at several major Central Electricty Generating Board centres, at the Electricity Council and at some area Electricity Board engineering establishments will soon be able to benefit from an increase in the data transmission speed of the CEGB's computing network. Users of the CEGB bureau service with their own small machines could also profit.

In a successful pilot operation over Post Office lines between the central computer at the CEGB's Computing Bureau in Park Street, London, and the Board's Nuclear Laboratories at Berkeley, Gloucestershire, data transmission rates have been doubled from 4,800 to 9,600 elements of information (bits) per second.

Change-over to the new transmission rate was the result of a combined operation by experts at the two centres with the support of the Board's Transmission Division at Guildford and the Post Office. Additional software to support the facility has been developed by the Bureau staff.

The increased transmission rate has been accompanied by the commissioning of a new Modular I satellite computer at Berkeley, linked through Racal-Milgo data transmitter/receivers to the central IBM 370 at Park Street. Operating in parallel with the Laboratory's existing IBM 1130, the new computer shares the same data transmission line.

● PACKAGING

Solves hard container problem

FINE Surface Polyfilla, a re... to-use filling compound, is ... first non-food product to ... been packed in Star Seal smooth-walled foil contai... Used to distribute over ha... million promotional sam... inside the traditional powd... Polyfilla, the hermetically se... vapour-proof container wi... foil lid was found ideal.

Fine Surface Polyfilla con... water and spirit and it was t... fore imperative that the sa... pack should not leak into surrounding dry powder ... cause it to react and harde...

The lidding foil supplied ... the containers, by ... Aluminium Company, Wolverhampton is printed ... a repeat pattern in white and yellow. The sealing me... is a heat-seal lacquer with ... both the lid and the cont... are coated on the inner sur... Not only does the Sea... perform the essential pack... tasks with the sample, it serves as a convenient dish which the product may be...

There seems to be no lim... the potential uses of Sea... Food products packed in ... way are already well establi... but the foil container wi... peel-off lid has possibiliti... packaging chemicals, dyes, ... mastics, adhesives and small components. Transp... lidding material may be ... where product visibility ... essential.

In the case of Fine Su... Polyfilla, lidding was effect... a small hand-operated ma... For larger and more re... quantities, however, ... Aluminium supplies auto... filling and lidding ma... purpose-built to suit the ... —whether it be in liquid, ... liquid, granules or powder.

The company is base... Wolverhampton, WV3 0DR ... is part of Alusuisse.

Egyptians preparing for unity moves

CAIRO, August 30.

EGYPTIAN OFFICIALS were to-day setting up the machinery for implementing new steps towards a union between Egypt and Libya.

Although last night's announcement by the Egyptian and Libyan leadership did not amount to an immediate merger between the two countries, a number of real steps were due to be carried out on Saturday.

These include the formation of a 100-member joint Constituent Assembly, the creation of an economic free zone on each side of the Egyptian-Libyan border and a new joint currency called the Arab Account Dinar.

President Muammar Khedaffi flew back to Tripoli last night after signing a joint announcement following his meetings with President Sadat on the merger.

The authoritative Cairo newspaper Al Ahram said both President Sadat and Col. Khedaffi were due later to-day to sign a number of decrees bringing into effect last night's proclamation.

Cairo newspapers to-day hailed the creation of a unified State of Egypt and Libya as an historic event on the road to eventual Arab unity—and a powerful challenge to Arab enemies.

News of the unity declaration was splashed in Egyptian newspapers to-day.

Al Ahram, whose editor, Mr. Mohammed Hussanein Heykal, is a staunch supporter of a full merger with Libya, wrote in an editorial that the establishment of the new state was the embodiment of the Arab masses' faith and a confirmaion of the Arab revolution.

"The unified state paves the way to the mobilisation of Arab potential for the liberation of the (Israeli-occupied) land.

"It is a state which incarnates the refusal to surrender to fierce challenges, the refusal to submit to schemes aiming at weakening the Arab will, the Arab revolution and Arab freedom."

The unified state belonged to all who believed in Arab unity and aspired to a great Arab future, Al Ahram said. It added that the new state presented great challenges to Arab enemies and it needed the backing of all Arab revolutionary forces against imperialism, Zionism and retrogression.

The mass circulation Al Akhbar described the announcement as an historic decision taken at a crucial stage in Arab history.

The unity move was an answer to the Zionist-imperialist challenge facing the Arab nation, it said. It also showed that the Arabs were not only capable of holding out, but also capable of carrying out their historic movement towards their great aspiration.

Waldheim in Israel

JERUSALEM, August 30.

UNITED NATIONS Secretary-General Kurt Waldheim began a 30-hour visit to Israel to-day to exchange views with the country's leaders on prospects for a settlement to the Middle East conflict.

Speaking on his arrival, Mr. Waldheim said his purpose was not to present new plans but to establish personal contacts, to hear the views of Israel and present his own views. "I consider it my duty to do everything I can to help find a solution," he said.

Mr. Waldheim flew in a blue and white UN plane from Cyprus, where he stayed overnight after talks in Syria and Lebanon—part of a five-nation fact-finding tour of the Middle East which will later take him to Egypt and Jordan.

He was welcomed at Tel Aviv's Lydda airport by the Israeli Foreign Minister, Mr. Abba Eban, and UN officials.

Soon after his arrival, the Secretary-General was taken by car to Jerusalem, where he was due later to-day to meet the Prime Minister, Mrs. Golda Meir, and other Israeli leaders.

Before leaving for Egypt to-morrow afternoon, he will confer with staff of the UN Truce Supervisory Organisation, led by Finnish Major-General Ensio Siilasvuo, which oversees the Arab-Israeli ceasefire.

Reuter

Portugal names replacement for Guinea—Bissau governorship

BY BRUCE LOUDON

LISBON, August 30.

IN THE SECOND big change to take place recently in the command of Portugal's African wars, Gen. Jose Bettencourt Rodrigues, 55, a one-time military attache at the Portuguese Embassy in London, was to-day nominated to take over as Governor and Commander-in-Chief in Guinea-Bissau.

Gen. Bettencourt Rodrigues, a close confidant of Dr. Caetano, the Prime Minister, served for a time as Army Minister under Dr. Salazar, he succeeds Gen. Antonio de Spinola, who is back in Lisbon after more than five years in what is regarded as the most physically exhausting command post in Portuguese Africa.

It seems certain that Gen. Bettencourt Rodrigues will continue Gen. Spinola's outspoken "Africanisation" policy aimed at achieving "a Guinea for the Guineans within a Portuguese community." But he faces some critical military problems, with his 26,000-man army confronted by rebels of the PAIGC movement better equipped than ever before, even to the point of boasting that they will soon have MiG fighters operating against the Portuguese from bases in neighbouring Guinea-Conakry. A number of rebels are understood to be undergoing training in the Soviet Union to fly the fighters when they appear. Meanwhile the rebels have achieved a startling new anti-aircraft capacity which is causing grave problems to the Portuguese, and their strength has been vastly increased by a massive build-up of armaments similar to those that were made available by the Communist countries to the Vietcong.

Much attention will now focus on the future of General Spinola, who has returned to Lisbon with his prestige sky-high and with the reputation of being the most accomplished of Portugal's soldiers. Though his health is not good, it seems certain that Dr. Caetano will have to call on the General's goodwill in keeping the armed forces in line, and General Spinola's presence in Lisbon will undoubtedly prove a major new factor in the political life of the country. It is thought possible that he may emerge with high ministerial rank.

Another prominent figure in this constant game of "General watching" in Lisbon is General Arriaga, who retired last month after four years as commander-in-chief in Mozambique, where he has been succeeded by the relatively unknown figure of General Basto Machado in what is presently perhaps the most critical of the African war campaigns.

The difference is, however, that there is little love lost between General Arriaga and Dr. Caetano, and the General is seen in this election year as a potential magnet for much Right-wing pressure on the Government.

Another figure to be watched in the current lining up of the generals is General Costa Gomes, the country's top soldier as General Commander-in-Chief of the Portuguese armed forces. He is very close to Dr. Caetano and is emerging as a real power in the land. He is said to be no friend of General Arriaga's, since it was General Arriaga who effectively quoshed an attempted coup against Dr. Salazar in which General Costa Gomes is claimed to have been a participant.

HEATH SAYS NO TO GEN. AMIN

By Our Foreign Staff

Mr. Heath has rejected an invitation from President Amin to visit Uganda and the President's suggestion that Britain should lend Uganda the money to pay compensation to dispossessed Ugandan Asians.

A Foreign Office spokesman said yesterday that Mr. Heath's reply to President Amin was delivered by the acting British High Commissioner in Kampala, Mr. John Stewart, on Wednesday.

In his letter, the Prime Minister told the Ugandan leader that the negotiations about compension to companies and individuals would be better conducted at an official level and called for a reply to repeated British requests for an early meeting of officials either in Kampala or London.

Mr. Heath also urged President Amin to release money "frozen" in the bank accounts of the Ugandan Asians who were expelled from the country last year. This money, he said, should be forwarded from Uganda at once.

Reuter reports that immediately after receiving the letter, President Amin repeated his demands on Kampala Radio.

HASSAN AND THE PLOTTERS

Mass trial brings 16 death sentences

KENITRA, Morocco, August 30.

A MASS TREASON trial for 157 Moroccans accused of attempting to overthrow the Government of King Hassan II ended to-day with the military court handing down 16 death sentences, the Government said.

The court gave prison terms to 71 other defendants, 15 of them life sentences. The remaining 70 accused were acquitted of any involvement in what the Government called "a plan of subversion aimed at creating a climate of social agitation and intoxication of public opinion."

Eight lawyers

The defendants were arrested in massive police swoops after a spate of attempted political assassinations and bombings of public buildings, military posts and American installations.

Among those charged were eight lawyers, including five members of a political party opposing the King. Although they were tried by a military court, the defendants are chiefly from the civilian ranks.

The death penalty is not an empty letter in Morocco. In January, 11 military officers were executed by a firing squad for their part in the 1972 attempt against Hassan's life when aircraft from the Royal Air Force shot at the King's private Boeing jet.

Libya accused

An assassination attempt in 1971 resulted also in death sentences and executions.

There was no immediate indication as to the identities of those condemned to death in the present case nor when they would be executed. The trial began on June 25.

The Moroccan Government has accused Libya of aiding some of the defendants financially in hopes of seeing Hassan dethroned and diplomatic relations between the two countries remain tense.

UPI

A King on a tightrope

BY OUR RABAT CORRESPONDENT

WHEN KING Hassan II inaugurated two new dams this summer as part of a major plan to irrigate 2.4m. acres, tens of thousands of Moroccan peasants acclaimed him. And when he announced that work would start this year on two more dams his words were greeted by more waves of cheering from a sea of white-robed humanity.

The King aroused similar enthusiasm when he appealed for volunteers for "operation ploughshare" to till and sow 420,000 acres of cereal farms formerly owned by French and Spanish settlers and recently nationalised. In theory the land will go to the peasants.

For a King who has been the target of four attempts to kill or overthrow him in the past two years he certainly seems very popular, at least with the peasantry who represent more than 70 per cent. of the population of 16m. Some cynics say the huge crowds were shanghaied by the authorities, driven to the ceremonies in fleets of buses or lorries, and that if they had not cheered loud enough they would have been made to walk home. But in fact Moroccan peasants love festivities, especially in the slack summer season when the harvests are in, and they are more than willing extras for royal pageants.

Irritation

This irritates the town-based political parties, which have never been able to rouse anything like the same enthusiasm for their rather dusty dogmas, but it must be a great comfort for the King who needs grass-roots support badly to counteract the effects of military mayhem and leftist subversion.

After disposing of military plotters who tried to shoot him in the summers of 1971 and 1972, the King this summer put two groups of leftists on trial for trying to topple his regime. The trial of the larger group ended yesterday with 16 death sentences for attempting to overthrow the regime. Another 16 were sentenced to life imprisonment, 56 to varying jail terms, and the rest were acquitted.

Both groups that were brought to trial appear to have assumed that there was widespread discontent, and that once the shooting began it would spark a people's revolution. The group of 159 men on trial since June 25 before a military tribunal found to their cost that this assumption was false. They launched urban terrorism and guerilla operations in remote areas last spring in a plot allegedly hatched by leftists living abroad. But they were swiftly neutralised by security forces, in some cases with the help of the local populace.

The socialist Opposition party, Union Nationale des Forces Populaires (UNFP) is held responsible for the attempted uprising and has been banned. Its leaders say they had no hand in the plot, and argue that Moroccans resort to violence because they have "despaired of democracy" since the King refuses to give them a voice in Government.

King Hassan: pursuing the path of benevolent paternalism.

The second trial involves 80 people, mostly intellectuals, many of whom claim they are "imbued with Marxist-Leninist ideals." They are charged with planning to set up a "socialist republic" by fomenting disorder 18 months ago when there was widespread unrest in the education system. Several of them, including one woman, are in fact teachers or student leaders.

Six Government and opposition dailies have been publishing long reports of the trial proceedings, but then about 80 per cent. of the population is illiterate. Probably sympathy or indignation is confined to cities, such as Casablanca. There a bomb blasted the premises of the pro-Government daily Le Matin after the seizure of several editions of the Opposition papers.

The explosion showed that not all the troublemakers are behind bars yet. Further evidence is that there are still a number of incendiary tracts circulating. But the King seems determined to pursue the path of benevolent paternalism, hanging on to all his powers, and doing by edict what he thinks is best for the people. The new Constitution and the promised Parliamentary elections seem to have been forgotten since they were approved by a massive referendum vote 18 months ago. King Hassan rules and reigns with only a small, and chronically disunited, political opposition to find fault with the system. He is helped in his task by popular economic measures.

Experiments

To reinforce the growing mercantile middle class he is "moroccanising" foreign-owned businesses under a new law which gives majority control to Moroccans in the sales and services sectors, banks, insurance and some industries. For lesser citizens a new kind of "home-grown socialism" is being tried. Sugar beet growers and factory workers are being given majority control of two beet processing plants. Some of the big French farms recently taken over are to be run by elected assemblies of local peasants. They will be allowed to hire foreign farm managers if they think they need sophisticated know-how. If the experiments succeed they will be applied more generally.

Some people have misgivings about the wisdom of turning 520,000 acres of highly productive modern farms into State property, and having them run by peasants with no personal stake in the land. The King confesses that State-run farms were "disastrous" in the past because civil servants did not care what happened to them. With the new system one wonders why the peasants should care more, because they still have no personal profit motive to drive them.

The new Five-Year Plan applies much the same line of thought. The King said it is an attempt to "reconcile socialism and capitalism." Some £2,600m. is to be invested by 1977, of which £1,100m. is expected from private investors. The expenditure is intended to produce an annual growth rate of 7.5 per cent.

There will be no land reform at the expense of Moroccan landowners. Instead the aim is to improve agriculture and the lot of the peasants so that they will not be a burden on the State. Private enterprise and private property are adopted as basic principles.

Another plan target is to reduce the number of unemployed from the present 350,000 or so to 255,000 and thus mop up part of the pool of discontent. About 350,000 Moroccans work abroad. They sent home £64m. last year (compared to £50m. received in foreign aid). More emigration is to be encouraged.

A new Investment Code has been issued, designed to attract foreign capital. Foreign investors are very hesitant because of the plots and fears of a sudden collapse. The Code differs from the previous one mainly by eliminating some red tape but offers substantially the same incentives such as tax waivers.

The King admits that the bureaucracy has become a refuge for incompetents. Based largely on the French system, it has become elephantine (350,000 on the Government payroll) and serpentine, and visiting business men need a great deal of fortitude and forebearance to obtain decisions.

Summit

These internal problems do not give King Hassan much elbow room for foreign policy. In July he tried—and apparently failed — to get his nearest Arab neighbours, Algeria and Mauritania, to support his claims to those parts of the Sahara occupied by Spain. There is some talk of strained relations with Algiers because of this, but nevertheless the King has said he will personally attend the non-aligned summit in the Algerian capital next September.

But so many heads of state have been ousted while away from home that he may change his mind. If he does, it may indicate that he is not so sure of himself. What may also give him pause is the possibility that the Algiers summit will be attended by his arch enemy, Libya's Colonel Khedaffi who, since he got rid of his own King, is intent on aiding and abetting subversion in Morocco.

Zambia to reorganise banking sector

BY RUTH WEISS

LUSAKA, August 30.

ZAMBIA IS to restructure its banking sector to get into line with the economic reforms. This emerges from the United National Independence Party ten-year programme issued to delegates to the party conference last week-end.

It states that the existing banking system and other financial institutions are to be rationalised and restructured so as to become more development orientated, avoiding unnecessary duplication and competition, thus improving the use of resources, particularly manpower.

The banking sector should have been brought under the State umbrella a long time ago. In November, 1970, President Kaunda announced the formation of two banking groups in which the State was to take 51 per cent.

Negotiations with the Government takeover panel, however, ended in deadlock. In June, 1971, it was announced that the Government would continue to develop its own National Commercial Bank and also acquire 60 per cent. of the shares in the Commercial Bank, while other banks would have to register locally.

Merchant Bank was to liquidate its business. Standard, Barclays and Grindlays all became locally registered banks.

However, continuation of a major private financial sector side by side with the State commercial, industrial and mining sectors is untenable.

There have been directives to the State enterprises to deal with the State banks. But the latter's facilities and branch network cannot compete with the international banks. Moreover, if the latter are deprived of their major accounts which provide credit balances and therefore lending resources, their overdraft facilities will shrink, which, in turn, will not be conducive to development.

Some new arrangement must come. The fact that this was stated in UNIP's policy lines indicates that it is so acknowledged.

The questions which will have to be answered, and will naturally cause anxiety until they are, are when this will happen and in what form.

China strikes careful balance in leadership

PEKING, August 30.

THE CHINESE Communist Party's 10th National Congress, which closed last Tuesday, has drawn a careful balance between the radical and moderate wings of the Party, and has confirmed that the Chinese army will continue to play a key role in the country's political affairs in the foreseeable future.

These are the initial conclusions drawn by diplomats here after studying last night's official communique on the five-day Congress and the membership of the new Party Central Committee.

The Congress was held in Peking from August 24 to 28 and only officially disclosed yesterday. The disclosure was followed by an eruption of noise and colour in the streets of Peking as the capital celebrated the Congress—the first for four years and a major milestone in the country's political affairs.

Chairman Mao Tse-tung presided over the Congress and there is no doubt that the 79-year-old Party chief maintains his pre-eminence in the leadership.

Although he apparently made no major speech at the Congress, he was unanimously elected Chairman of the 148-member Presidium which supervised the affairs of the Congress.

A large photograph of a relaxed, smiling Mao was printed on the front of to-day's People's Daily, the Communist Party newspaper, which published news of the Congress in bold red headlines.

It was also abundantly clear to-day that Premier Chou En-lai is still in the number-two position. He was listed as the first of five vice-chairmen after Chairman Mao. He also delivered the crucial "political report" reviewing the Party's past work and laying down guidlines for the future.

—Ca.

The main surprise of last night's communique on the Congress was the apparent rapid promotion of Wang Hung-wen, the youthful rising star in the Chinese hierarchy.

The drive and undoubted ability of this 36-year-old former Shanghai textile worker has propelled him into the highest echelon of the Chinese leadership. Wang was listed after Chou En-lai among the vice-chairmen, and a half-page photograph in the People's Daily showed him seated on the right-hand side of Chairman Mao on the Congress rostrum.

Observers said, however, that it will not be known until the appointment of a new Party Politburo whether Wang has been promoted permanently to the number-three position. But it is clear that he is possibly being groomed as a successor to Mao or Chou En-lai.

The congress communique listed after Wang the former security chief Kang Sheng, Yeh Chien-ying, China's top military figure after the fall of Lin Piao in 1971, and Li Teh-sheng, chief political commissar in the army.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OCEANOGRAPHY

Big exercise in North Sea

MORE THAN 100 measuring instruments deployed by 22 vessels are expected to be laid by September 10 in a big exercise in the southern North Sea involving oceanographic organisations in the U.K., West Germany, Holland, Belgium and Sweden.

Known as the Joint North Sea Data Acquisition Programme—JONSDAP '73—the exercise will meet the needs of several research projects in the participating countries involving tides, storm surges of sea water, water current vectors, circulation and mixing, and pollution.

A basic practical outcome of the programme will be a greater knowledge of the movement of water in the area under various conditions of tide and weather so that, for example, larger ships can be more safely or efficiently operated in what is an increasingly congested area. Increased information about possible storm or tidal damage on coastlines and the movement of pollutants is also a likely outcome.

In the U.K., official oceanographic, hydraulics, hydrographic, fisheries and water pollution research bodies are involved in the programme, together with the London and Medway ports authorities and three colleges and universities. Thus the interests of marine dynamics, fisheries research and marine chemistry are brought together in a programme which is the largest of its kind yet mounted in these waters.

A particular objective is the development of a mathematical model of the marine system in the above disciplines over the Southern Bight and to do this it will be necessary to obtain simultaneous series of measurements over a period of time, expected to be at least 40 days.

Among the instruments to be used will be some 90 water current meters, 20 bottom-mounted off-shore tide gauges and three automatic buoys.

A special experiment will make use of a cross-channel Post Office telephone cable to monitor the mass transport of water across the Straits. Salt water, a conducting mass, moving through the earth's magnetic field at any point produces an emf. This will be sensed at points on the cable and the voltage measurements used to give mass water transport, after calibration against the other instruments in use.

The technique is not new, but if it can be sufficiently refined could prove a low-cost alternative to the laying and recovery of submerged instruments.

Turbidity, salinity, temperature, trace metal content, and the spatial variability of currents are also to be studied.

GEOFFREY CHARLISH

● HANDLING

Small refuse systems

REFUSE FROM a block of flats or shops, an hotel or an average size supermarket can be handled by the latest compactor — the P-512 — now being produced by Anchorpac, Bell Lane, Amersham, Bucks.

Once installed the P-512 system can be relied upon to compact 30 cubic yards of unsorted refuse hourly, packing all waste matter into hygienic sealed containers, says the company.

When a chute system is incorporated the time-consuming need for manual handling in a large building is virtually eliminated and even during exceptionally hot summer periods there is no risk of smell, rodent infestation, or fire in densely populated urban environments.

The need for maintenance is said to have been greatly reduced by the modular system of construction which incorporates an electric motor, pump, control valve and filter all centrally mounted on one common bracket. The control panel can be located left, right or rear of the machine.

● TELEVISION

Simplified colour playback

TELEFUNKEN-Decca is showing a colour TV playback system at the International Radio and Television Exhibition which opens in West Berlin to-day.

Called TED, the unit is connected to the antenna socket of a TV set and reproduction on the screen from a paper thin record is via a stylus. The 21 centimetre diameter disc runs for ten minutes. It is pliable, said to be quickly and cheaply produced and can be included as an advertising supplement in newspapers and magazines.

Deliveries of TED in West Germany are to begin in January from Telefunken factories and Scandinavia is to be supplied shortly afterwards.

TELDEC, jointly owned subsidiary of AEG-Telefunken and Decca, says that the British market is to be supplied at a not yet determined date.

In West Germany nearly all colour TV sets are bought outright so rentals of TED there are not planned. Suggested retail price for the playback unit is DM1,050 and discs will cost between DM10 and DM25.

A disc-changing unit, already developed, is to be introduced sometime in the future to enable reproduction of full length plays and feature films. A break of about five seconds occurs between disc changes. Discs are fed into the replay unit together with their sleeves. The record is separated from the sleeve in the machine and after play is ejected again inside its sleeve.

The set gives instant replay of very brief segments and the operator is able to locate quickly earlier portions of the disc for replay. The version about to be marketed does not have slow motion, nor can pictures be arrested.

TELDEC says it will have about 160 different discs in its first catalogue ranging from entertainment to popular science, job training and education.

The company conceives its primary market as being largely interested in short productions. It hopes to sell about 1½m. units in West Germany by 1980.

● INSTRUMENTS

Two-tone generator

RACAL Instruments has introduced a new two-tone generator Model 9063, which complements the precision RF synthesized signal generator system introduced earlier this year. Designed primarily as a precision modulation source, the 9063 provides a solution to SSB servicing and alignment problems.

An entirely self-contained instrument covering the 10 Hz to 100 kHz frequency range, the 9063 provides a highly-stable synthesized tone referenced to an internal crystal standard and a second tone derived from a tuneable oscillator. The two tones may be used independently or combined.

The instrument provides outputs from 100 microvolts to 10 volts with low hum and spurious content. The 9063 is 88 mm high, 483 mm wide and 406 mm deep and weighs 13.7 kg.

Controls many types of system

WITH THE introduction of four new types of central heating programmer-timer units, the re-styling of the existing Centroller 10 (now called the Centroller 100) together with the availability of a range of room and hot-water cylinder thermostats and water flow valves, Smiths Industries' industrial instrument division is now claiming to be one of the few, possibly the only manufacturer able to offer a package of these items to suit almost any type of domestic central heating system, including many varieties of retrofit jobs.

The new items are the Centrollers 30, 30 plus, 70 and 90. The "30" is merely a basic 24 hour repeater time switch allowing two "on" periods during the day or continuous operation. It is intended for gravity or pumped systems. The "30 plus" is for fully pumped systems needing control of priority flow.

The Centroller 70 has been designed for use on gravity hot water, pumped heating systems. The device automatically ensures that the boiler is always energised when the pump is running. Basically the hot water supply is timed (or continuous) and then when the heating switch is set to "ON" the heating programme follows that for hot water.

The "90" is intended for fully pumped primary systems and independent programming of hot water supply and heating is possible, if the rest of the system allows this.

The "100" provides push-button selection of ten pairs of conditions for the hot water and heating and can be used with gravity hot water or fully pumped systems.

Checks the waste flow

THE FINNISH company Ulmaelektro Oy can now provide a range of complementary instruments which can be used to measure and control the flow-rate dependent processes and sampling, and the pH value of waste water both on site, and in centralised control rooms.

The equipment is the Ultronic 100 range and includes sensors needed to detect flowrate and to measure pH value without the use of pH electrodes. Central control units which generate control signals, signal conditioning units, control function generators to drive pumps and valves, and automatic samplers complete the range of 20 instruments.

Except for the samplers and field instruments, all the units are of modular construction and can be grouped together to form a centralised control panel.

Ulmaelektro is at Palkaneentie 20, SF-00510 Helsinki 51, Finland.

● PACKAGING

Solves hard container problem

FINE Surface Polyfilla, a ready-to-use filling compound, is the first non-food product to have been packed in Star Seal-Pak smooth-walled foil containers. Used to distribute over half a million promotional samples inside the traditional powdered Polyfilla, the hermetically sealed, vapour-proof container with its foil lid was found ideal.

Fine Surface Polyfilla contains water and spirit and it was therefore imperative that the sample pack should not leak into the surrounding dry powder and cause it to react and harden.

The lidding foil supplied, like the containers, by Star Aluminium Company, of Wolverhampton is printed with a repeat pattern in white, blue and yellow. The sealing medium is a heat-seal lacquer with which both the lid and the container are coated on the inner surfaces. Not only does the Seal-Pak perform the essential packaging tasks with the sample, it also serves as a convenient dish from which the product may be used.

There seems to be no limit to the potential uses of Seal-Pak. Food products packed in this way are already well established, but the foil container with its peel-off lid has possibilities in packaging chemicals, dyes, seeds, mastics, adhesives and even small components. Transparent lidding material may be used where product visibility is essential.

In the case of Fine Surface Polyfilla, lidding was effected on a small hand-operated machine. For larger and more regular quantities, however, Star Aluminium supplies automatic filling and lidding machines purpose-built to suit the product—whether it be in liquid, semi-liquid, granules or powder form.

The company is based in Wolverhampton, WV3 0DN, and is part of Alusuisse.

● TEXTILES

American solvent dyeing here soon

THE AMOUNT of water required for textile dyeing and finishing processes is very considerable and for some time efforts have been turned towards the development of solvent-based processes. One or two British companies are already operating with dyeing and finishing systems of this type.

But now the Americans are rapidly perfecting techniques which, quite apart from circumventing the water resources factor, are reported to be demonstrating quite remarkable advantages over the traditional aqueous-based approach.

Typical of these is a process developed in the U.S. by Textile Technology, Inc. (P.O. Box 41221, Indianapolis, Indiana 46241) which is now to be launched in the U.K. and Europe.

Called the Chroma process, it has been developed for dyeing and finishing both knitted and woven fabrics, and it is claimed to cut by one-third the cost of bleaching, scouring and dyeing while increasing processing speed by as much as 400 per cent.

Closed circuit

Important considerations in the development of solvent dyeing and finishing processes are process technology, equipment design and a mass recovery system for the solvents. Using a "closed circuit" dyeing technique involving solvents such as perchlorethylene instead of water, the Chroma process is claimed to satisfy all these requirements, and in all cases commercially available dyestuffs can be used — even for the newer fibres such as polyester.

Several months ago, Textile Technology negotiated a multi-million dollar contract and licensing agreement with Mitsui and Co., a leading Japanese concern which is now marketing the technology and equipment throughout Asia. With the already successful establishment of the Chroma process in the U.S. and Japan, the company is now ready to negotiate with prospective sales representatives in the U.K. and Europe.

Textile Technology sees among its longer-term objectives the establishment within the Common Market of a subsidiary corporation to cover the sales network, and a manufacturing facility to serve the area.

The U.S. company has now launched five systems based on the main process: Chroma 1, which provides distillation and accessory equipment for solvent scouring textile products in all types of applications; Chroma 2, comprising discontinuous dyeing equipment, becks, beam and yarn dyeing units; Chroma 3, semi-continuous system for jet dyeing fabrics and utilising a continuous solvent scouring range; Chroma 4, for atmospheric dyeing of all types of full-fashioned knitted garments; and Chroma 5, a continuous solvent process for dyeing non-woven materials.

"Landing pads" to cushion the impact of objects which have to be dropped when loading or unloading are now being produced by British Vita Cellular Cushioning. Called Vitapads, they are made from a range of low-resilience polyether foams with sheets of protective elastomeric sheets bonded to the top and bottom faces to protect the foam from sharp edges of barrels or other loads. One of them is shown here under test in Wolverhampton and Dudley Breweries.

● AUTOMATION

Checks on complex devices

THE FIRST British installation of a Sentry 600 computer-controlled high-speed electronic test system is being completed by Fairchild Automation Systems, of Isleworth, Middlesex. The cost is in the region of £100,000.

The system will be used by Burroughs Machines at their Cumbernauld (Glasgow) factory. It will initially be applied to testing incoming large scale integrated circuits for use in a range of mini-computers. The test applications of the Sentry will, however, be gradually extended.

The 600 is the most sophisticated of the Fairchild series. A high-speed computer-controlled system, it tests, measures, characterises and analyses all parameters of large scale digital circuits—bipolar, MOS, logic and memories, single chips and completed assemblies. The 600 performs functional tests at up to 10 MHz data rate and at greater than 20 MHz four-phase clock rate. It can be programmed to test modules at much greater severity than they will expect to meet under normal operating conditions.

Complexity

The time taken for a complete test, which can include many tens of thousands of operations at varying frequencies, voltages and waveforms, depends on the complexity of the device.

An example of the operating speed is in testing a 1024-bit random access memory, when more than 4m tests are carried out in less than one second. This high speed of operation substantially reduces the cost-per-test.

The Burroughs installation is extremely versatile and though the initial application will be for MOS LSI testing, the machine offers the possibilities of expansion to perform much more work, including the check-out of complete assemblies.

The mainframe includes the computer, with a 16K 24-bit core memory, with direct memory access. Additionally there are control and display panels and power supplies. A high-speed controller unit contains the 60 by 1024-bit random access memories necessary to test LSI devices at the 5 MHz functional rate, together with other control circuitry.

This in turn controls the manual test station, configured for 60 pins and carrying the pin electronic cards, radially placed round the test head to reduce capacitance of leads to an absolute minimum. Peripherals include an 18-megabit disc memory, card reader, video keyboard terminal, printer and magnetic tape unit.

The software supplied with the 600 provides the necessary system diagnostics, executive programs, and a tester verification package. The comprehensive documentation includes software manuals, schematic diagrams and all available information to assist the user.

The verification package supplied is a device and program which has been tested by the manufacturers on that individual Sentry machine and which checks all internal systems. After installation of the Sentry 600, the verification package proves the accuracy of operation in all modes.

Although this is the first Sentry to be installed in Britain, extensive activity has been aroused by the system throughout Europe. A Sentry 600 is operating at the HAFO company in Sweden; the Olympia and National Cash Register organisations in Germany are using similar systems.

The French centre of Burroughs Machines is using a Sentry 400/600, and a 600 is now being installed for Honeywell in France. A further five Sentry systems are on order for delivery in Europe this year.

● POWER

Grants for new motor research

TWO AWARDS for research into superconducting AC generators totalling about £78,000 have been made by the Science Research Council. They are the first of a number of grants that the Council expects to make in this area.

Over three years £33,161 has been awarded to Dr. C. A. Bailey at Oxford University for research on helium flow and heat transfer in a rotating reference frame. Dr. Bailey will be carrying out a programme to study the factors affecting heat transfer to and flow of helium fluid in rotating tubes. The information will be required for the design of cooling ducts in a generator containing a rotating, superconducting DC excitation winding.

Also over three years, £44,883 has been awarded to Professor P. J. Lawrenson for work on the dynamic performance of superconducting AC generators. Professor Lawrenson will make a general study of terminal performance and will examine short-circuit, load-changing, negative-sequence and stability behaviour by means of modelling using digital and analogue computer techniques. This will involve the determination of the effective impedence of all parts of the machine. The results will be used to determine torques, forces and other criteria essential for machine design.

Commutator corrosion

IF INFORMATION on contamination of electrical machine commutators by hydrogen sulphide, sulphur dioxide, chlorine or other chemicals indicates that a general and significant problem exists, the Electrical Research Association at Leatherhead is likely to consider a multi-client investigation to find a solution.

It is important that a thin oxide layer should adhere firmly to the commutator surface to achieve low level sparking, low brush-wear, and generally good commutation. As the skin is formed by a chemical process, the presence of other chemicals can upset its formation or retention. A typical and particularly difficult chemical in this respect is hydrogen sulphide which is frequently found in significant quantities in sewage treatment works and also in petro-chemical installations.

A number of specific instances of operational problems have come to the attention of ERA recently, arising from contamination of the commutator skin by hydrogen sulphide, and these problems have been manifested by excessive brush-wear. Associated problems are unequal current distribution and brush-wear, and increased friction leading to copper "picking" and commutator grooving and wear.

● PROCESSES

Blasting off the scale

ADWEST OF Reading, Berks., has taken delivery of a Vacu-Blast "Scalomatic" blasting plant which is the first of a range of standard units incorporating its recently introduced tubular wheel.

The plant which is to be used by Adwest to remove heat scale from power steering components caused by a previous hardening process, is of the rotary table type. The main table is 1500 mm in diameter and four auxiliary planetary tables of 500 mm diameter are incorporated to facilitate the easy loading of the components.

A feature of the Adwest plant is the "tube" wheel which provides far greater hitting power than the traditional bladed type. Additionally, the fact that each of the tubes can be rotated to give eight wearing surfaces means that running costs are reduced significantly and machine maintenance times cut.

Vacu-Blast which is part of the Allied Polymer Group will shortly announce several other standard centrifugal plants. All will incorporate the new tube wheel.

● COMPUTERS

CEGB speeds its data operations

COMPUTING facilities at several major Central Electricty Generating Board centres, at the Electricity Council and at some area Electricity Board engineering establishments will soon be able to benefit from an increase in the data transmission speed of the CEGB's computing network. Users of the CEGB bureau service with their own small machines could also profit.

In a successful pilot operation over Post Office lines between the central computer at the CEGB's Computing Bureau in Park Street, London, and the Board's Nuclear Laboratories at Berkeley, Gloucestershire, data transmission rates have been doubled from 4,800 to 9,600 elements of information (bits) per second.

Change-over to the new transmission rate was the result of a combined operation by experts at the two centres with the support of the Board's Transmission Division at Guildford and the Post Office. Additional software to support the facility has been developed by the Bureau staff.

The increased transmission rate has been accompanied by the commissioning of a new Modular I satellite computer at Berkeley, linked through Racal-Milgo data transmitter/receivers to the central IBM 370 at Park Street. Operating in parallel with the Laboratory's existing IBM 1130, the new computer shares the same data transmission line.

HORSE TRIALS BY MICHAEL DONNE

Big entry for Burghley

ANY FEARS that next week's European Three-Day Event Championship in Kiev would reduce interest in this week's Burghley Horse Trials in Lincolnshire are proving unfounded. While seven of Britain's top riders and horses, including the reigning European Champion, Princess Anne; the Olympic Gold Medallist, Richard Meade: and last year's Burghley winner, Janet Hodgson, are all now in the Soviet Union, there is still a substantial entry of over 50 for Burghley, including several combinations from overseas, to make this event both attractive and significant. Over the next few days there will be plenty of opportunities to study the progress of some of the younger riders and less experienced horses who are now making their names in this exacting branch of equestrianism.

Among these is Sara Bailey, with her mare Red Amber, who was a member of the victorious Junior European Championship team at Limoges earlier this month, and who also came second in the individual placings. Other young riders who are attracting increasing attention are Diana Thorne, with The Kingmaker, winners of the Midland Bank Novice Championship in 1972—a combination that always goes fast across country—and Matthew Straker, riding George. The latter horse will be worth watching. He was the only one to complete the Junior European Championship at Eridge last year with no faults other than dressage penalties. Had his dressage been better, he would have been in a strong position for the championship on that occasion. George also took second place at Osberton last week, and first place at Annick earlier, when ridden by Captain Mark Phillips.

Captain Phillips, who was originally planning to take the Queen's horse Columbus, round Burghley, is now instead riding Maid Marion, in place of Tony Hill, who has had to withdraw. Lorna Sutherland, the only woman to have taken three horses round Badminton in one year, is competing at Burghley with her well-known chesnut Peer Gynt. This combination has been one of the most popular in Three-Day Eventing for some time. Miss Sutherland won Burghley in 1967 on her skewbald horse, Popadom, who became a great favourite with the crowds, and many would like to see her repeat this success. Miss Sutherland will also be taking round one of her younger mounts, James Kelly. Mrs. Barbara Hammond, originally entered with Eagle Rock which did so well at Badminton last April, is now taking round her younger horse, Anna's Ballard. Another combination that will attract some interest is Mrs. Westenra's Classic Chips, ridden by John Kearsley. Although ridden successfully for some time by Stewart Stevens, the horse appeared to be losing form. With his new rider, the horse's interest appeared to be reawakened, and the combination has had a successful season so far this year.

One combination which must be strongly in the running this year are Merlin Meaken with Lynette. Although short-listed for the European Championships, they were not selected to go to Kiev, and it would be a well-deserved consolation if they were able to take the Raleigh Trophy home from Burghley. Miss Meakin had the unenviable task of being the first competitor to go round the Badminton Cross-Country course earlier this year, but went so well as to finish the event in fourth place.

In addition to the native talent there are several foreign entries. The original German and Swiss entries have withdrawn, but there are still three coming from France, one from Holland, and two from Ireland, including William Harris with Smokey VI.

The cross-country course in Three-Day Eventing is always the focus of attention, since it provides the greatest spectacle. This year, the Burghley course has been substantially altered, aim being to give a more compact course for spectators, without reducing the distance for competitors, or lowering the standards of horsemanship and courage required.

The build-up to Burghley this year has been highlighted by some significant events during the summer break. Combined Training Championships were held at both Hickstead and the Royal International Horse Show, the former being won by Princess Anne, with Doublet, and the latter by Richard Meade, with Wayfarer II. Another unique contribution was the cross-country event organised by Sheila Willcox at her home at Stanton, Gloucestershire, in early August. This was rated a great success by those present. A course of 26 Badminton-type jumps, scaled down in size, many of which could be jumped in several ways, gave the participants invaluable experience. It is hoped this will become an annual event.

Airlines to decide next Atlantic fares move

Financial Times Reporter

THE U.S. Civil Aeronautics Board has asked all interested parties to file their comments by September 11 on what should be done about North Atlantic air fares, following last week's Washington Court ruling setting aside thet present fares agreement.

The court passing judgment in a case brought by Mr. Ralph Nader's Consumer Action Group, gave the CAB 21 days in which to set aside its earlier approval of an international air fares agreement for the North Atlantic.

The CAB is now passing the problem of the next move back to the airlines, since whatever action it takes in the light of the court's decision must affect them.

It is asking whether it should get the airlines to file new rates, reapprove existing agreements, or take some other action.

The Atlantic airlines are due to meet in the South of France from next Thursday to consider new fares for the route from January 1, and they are bound to consider the situation which the court"s ruling, and the CAB's request for advice, has created.

As there are only five days between the opening of their conference and the CAB's deadline of September 11, it seems likely that many airlines will give their individual advice to the CAB before going to the South of France.

Most of them are likely to urge the CAB to request an extension of its 21 days period of grace, to allow them to consider the matter in greater detail and come up with a new fares agreement.

Although any such an agreement would normally run from January 1, the airlines might be able to suggest an earlier starting date, to get the CAB off the hook.

Some airlines, however, are inclined to feel that there is no reason why a U.S. court should be allowed to dictate international air fares, and that the interests of other governments must also be taken into account.

North Sea oil rig concerns in merger

By Chris Baur, Scottish Correspondent

EDINBURGH, August 30.

TWO ABERDEEN-BASED companies serving North Sea oil exploration rigs have joined forces in a merger. They are Seaforth Catering and the catering division of Servoil.

Under the deal, Seaforth—a joint venture launched by Seaforth Maritime and Scottish and Newcastle Breweries—takes over operating responsibility for Servoil's contract with BP, to provide the oil company's Sea Quest rig with a catering service.

Servoil is a subsidiary of Culter Guard Bridge Holdings, which operates paper mills in Aberdeen and Fife. Servoil's other two divisions Oilfield Engineering and Oilfield Supplies, are not affected by the merger.

Seaforth Catering was launched in May and has yet to secure its first catering contract with offshore rigs.

NEW BIRMINGHAM BREWERY SCHEME

Work has started on a £1m. development at Allied Breweries' Birmingham brewery, the home of Ansells beers. A distribution centre with a storage capacity of around 3.5m. pints is to be built, to serve as the hub of a beer delivery network covering most of Greater Birmingham and a large area of the West Midlands.

The largest expansion at the old Ansells Aston site for more than 100 years, it will give Ansells, the Midlands sales company of Allied Breweries, stronger resources to service its expanding trade.

Building of the centre should be completed by late summer or early autumn of 1974 and will comprise some 80,000 square feet of storage space.

It will be one of the biggest beer warehouses within Allied Breweries' network of 43 distribution centres across Britain, with a transport fleet geared to deliver 13,000 barrels of beer in a normal week.

Tighter control urged on Defence contracts with private industry

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

MUCH TIGHTER control by the Ministry of Defence in its contractual procedures with private industry is urged by the Committee of Public Accounts, in order to keep the rising costs of defence projects within reasonable bounds.

In its eighth report for 1972-73, the committee makes several recommendations, which include:

1—The use of the "prime contractor" system should be approached with circumspection "and particular attention should be paid to the ability of a prime contractor to monitor and control the work of his sub-contractors;"

2—Incentive arrangements, where employed, should be "sharp and realistic," and a review in depth of such arrangements is urged "to see whether they are producing worth-while results"; and;

3—The Ministry should make greater use of the principle of "liquidated damages" in contracts with industry, so as to provide reasonable, although not necessarily full, compensation for delays producing equipment ordered for the armed forces.

Commenting on the problems of the prime contractor system—where one major company is put in charge of a project, in turn employing sub-contractors—the committee refers to the soaring cost of certain guided weapons systems undertaken by British Aircraft Corporation.

It points out that the estimated development cost of a radar tracker for use with the Rapier guided weapon system rose from £9.5m. in 1968 to £30m. in November, 1972.

Apart from inflation the increases were due mainly to under-estimation of the difficulty of resolving certain technical aspects, and to changed location of trials.

Some £800,000 of the increase was due to one (unnamed) sub-contractor's achievement being less than planned during 1970.

On the design and development of the Seawolf missile, estimated costs rose from £17m. in 1968 to £27m. in February, 1972.

"While inflation has been the biggest single cause, delays in producing associated equipment for the Navy Department have led to postponement of trials and contributed to the increase.

"During 1971, difficulties were experienced in the development programme of a sub-contractor, and the Ministry intervened to assist the prime contractor and sub-contractor to reach a solution satisfactory to all parties," says the committee.

It further comments that the use of prime contractor arrangements "do not appear either to have reduced cost escalation, which is so often a feature of development contracts, or to have prevented the occurrence of sub-contractorship problems in which the Ministry have had to intervene.

"We realise that the use of prime contractorship arrangements is relatively new in the missiles and electronics field and that the Ministry see advantages in it, but on the evidence we have heard, we consider that its use should be approached with circumspection, and that particular attention should be paid to the ability of a prime contractor to monitor and control the work of his sub-contractors."

Incentives

On incentive contracting, the committee feels that while these put the contractor at some risk—in that his profit goes down as costs go up—their use is not widespread at this time.

Incentive contracts in fact represent about 0.1 per cent. by number and 15 per cent. by value of the Ministry of Defence Procurement Executive's contracts.

"They had not yet undertaken a review in depth of the effectiveness of their incentive contracts. Their policy was to use cost-plus contracts where the uncertainties of a project were high, to use incentive contract arrangements where the uncertainties were fewer, and, finally, to used fixed-price contracts, which offered the strongest degree of incentive, where the uncertainties were small.

"The basic dilemma was that until the specification for a project was clear and a reasonable target could be agreed, it was not possible to devise an incentive."

The committee's view is that sharper incentives are desirable, and that current contracts should be reviewed to see if they are providing worth-while results.

It is also highly critical of the outcome of arrangements made by the Ministry to provide flight simulators and maritime crew trainers for the Nimrod maritime reconnaissance aircraft.

Redifon Air Trainers (RATL) was appointed prime contractor, with Elliott Brothers (now within GEC's Marconi Space and Defence Systems) as sub-contractor.

A disagreement arose between those two companies over losses which Elliotts were making on the deal. Also, delays, which the Ministry thought were mainly attributable to Elliotts, were expected to add some £1.5m. to training costs.

After taking legal advice, the then Ministry of Technology concluded it would have difficulty in formulating a valid claim for damages. To avoid further delay to the detriment of training and operational capability, the Ministry decided to seek a compromise solution with Elliotts so that work could continue.

The committee says it recognises the dilemma which faced the Ministry when the GEC group informed it that Elliotts would have to stop work on the maritime crew trainers unless prices could be raised.

"The Ministry had either to concede higher prices or to accept the risk of further delays in the supply of essential equipment while the dispute between RATL and Elliotts and the question of damages were resolved.

"We are surprised and disquieted that the Ministry should have found themselves in such a difficult situation, and we hope that they will be able to find a way to strengthen their contractual arrangements so as to avoid any recurrence of such an unhappy story."

The committee also suggests that the Ministry of Defence and the Treasury might re-examine the problem of providing incentives for timely deliveries of equipment for the services.

In particular, it urges that the two departments should see "whether there might be a wider use of liquidated damages clauses in contracts to provide reasonable, although not necessarily full, compensation for delays."

In a further comment on delays in pricing cost-plus contracts, the committee states that during 1972-73, the Ministry of Defence had placed 1,700 cost-plus contracts to a value of about £200m., and that contracts overdue for pricing at March 31, 1973, had a total value of £235m.

In recent years, the Ministry had taken steps, with the co-operation of contractors, to try to eliminate delays in pricing these contracts, and since 1967 had required contractors to furnish certified statements of costs.

The Ministry proposed to make it a condition of all major cost-plus contracts that interim cost statements should be produced by agreed dates which were written into the contracts and they aimed to fix agreed dates for final settlement.

At the conclusion of a contract, the onus would be on a contractor to produce a final settlement—dealing with his contractors, checking that plus materials had been brou to account, seeing that fixtu and tools had been accoun for, and so on.

The Ministry told the c mittee that, as a positive ind ment to contractors to ge final settlement of their tracts, the general practice to make a terminal retentio the amount might be of order of 10 per cent. of amount claimed.

In addition, the Ministry proposing to include a prov in future contracts for with ing part of the regular prog payments until the requ certified cost statements submitted.

New compute

These measures have welcomed by the committee also urges much greater by the Ministry of Defence Central Computer Agency detect and solve at an e stage the problems which in the introduction of new puter projects.

Its comments were stimu by information about delay the introduction of com systems for the control of Navy's stores, arma victualling and move organisations, through the Supply and Transport Ser These systems are estimat cost, in both terms of and running costs, some over ten years.

While there was no signi delay in the delivery and a ance of the new compute 1972, the current target date the main changeover to various new systems range April, 1974, to March, 1976

"Meanwhile, since the General Naval Stores system in operation at the dockyar only a re-programming of old one and the central com at Endsleigh, Bath, is employed almost entirely programme testing, the equipment is being used on grade work than that for it was designed and is no full load."

On being told that the Mi was now contemplating the duction of an even larger puter project to meet its over a wider field, the comm declared:

"While we appreciate great uncertainties remai the development of such pro we emphasise the need thorough planning and realistic estimates of cost basis for deciding whethe proceed with this scheme."

The committee is also critical of substantial losse Dockyard Production Accou

It points out that owing to inadequacy of the Navy's overhead rates during the years 1968-69 to 1971-72, re ment customers have been u charged by about £1m. Also costs of production show accounts for these years, include charges totalling £24m., in respect of storeke expenses, have been underst by nearly £8m.

The Ministry of De claimed that the main caus this "unsatisfactory situat was that during the four labour costs had risen rapidly than the cost of the and equipment. More although the store depots cerned kept records of expe and the value of issues, the extent of the disparity in flationary trends had not foreseen.

The committee expressed prise that, although costings was available for reviewing re-assessing store overhead the Ministry should have re edly under-assessed them to an extent, and also that Ministry should have been slow to react to the effect inflation.

"Largely as a result of a substantial loss to public has been incurred.

"We are glad to learn, fore, that overhead rates are being reviewed quarterly, and welcome the Ministry's ances that, if necessary, rates will be revised more quently in the future and this should significantly red the risks of future absorption of costs."

Eighth Report from the C mittee of Public Accounts, sion 1972-73, House of Com Paper 385, SO, £2.15.

Leyland Marathon is aimed at European truck market

The Marathon is designed for long-haul fleets in Britain and overseas.

BY JAMES ENSOR

BRITISH LEYLAND, which has been losing out badly in the British heavy truck market to continental competition, primarily from Volvo and Scania, to-day unveils its response. The Marathon is designed to fill the market between the Leyland Buffalo, introduced last year, and the maximum weight trucks permitted on the continent of 44 tons.

It is aimed at long-haul fleets operating in Britain on domestic and international runs and it will be exported to continental markets from next year.

The Marathon is fitted with a big continental-type cab that is very quiet and comfortable and is available in either standard or sleeper form.

The basic engine, which is a six-cylinder Leyland TL12 in-line engine of 280 bhp, is quiet enough and clean enough to meet all the British noise and smoke regulations, which are now the toughest in Europe. The truck will also be offered with more powerful Rolls-Royce and Cummins diesels for operation at maximum weights on continental hauls.

Swedish inroads

In the past few years Leyland, which once largely dominated the British heavy truck market, has seen more and more of its customers slip away to the Swedish makes because it was unable to offer a durable truck that was heavy and powerful enough to meet operator demands.

Although the Buffalo can be operated at the maximum weight currently permitted in Britain, 32 tons, many TIR operators have bought heavier trucks for use on the continent or in anticipation that British limits would have to be raised in line with the Common Market standards.

This issue still remains in fierce contention, with the House of Commons apparently unwilling to vote in any raising of the British limit despite the rulings from Brussels.

Nevertheless Leyland will now be able to offer a truck that can match the big Scanias and Volvos in Britain and which will ultimately be able to compete with Mercedes, Fiat and MAN at the top of the European truck market.

Sales unified

The introduction of the Marathon completes a rationalisation of the Leyland, AEC and Albion and the ex-BMC trucks within the Leyland organisation.

The company has now amalgamated its two selling networks, originally set up to handle Leyland and AEC vehicles before the merger of the two rivals.

Leyland distributors now sell the complete range of premium trucks, whether manufactured at Southall, Leyland, or Scoutstoun. Only the Leyland Redline trucks, built at Bathgate, are marketed through a separate network.

Most of the major components in the premium Leyland trucks have now been rationalised and shared between the different product ranges; so the three plants are fully integrated.

The Leyland TL12, 12-litre engine developed specially for the Marathon, promises to be the most economical heavy truck engine of its power output so far marketed. Considerable attention has been paid to making the engine as reliable as the old Leyland six-cylinder units, on which the company's reputation has been based. A new suspension, with much softer springing, has been designed to improve durability and cab comfort.

Growing market

The European market for trucks of this size and price now amounts to over 55,000 units a year and it is still growing more rapidly than that of any other price class. In Europe as a whole, Daimler-Benz and Fiat have captured the lion's share of this market though neither has yet made outstanding progress in Britain.

Leyland, which has now established a good sales network in France, Belgium and the Netherlands, will spend the next year building up parts stocks in every European country. By early 1974, it will be able to offer the first real challenge to the Continental truckmakers in the super-heavy truck class.

Erskine toll bridge traffic pattern 'badly miscalculated'

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE SCOTTISH Development Department is criticised by the Public Accounts Committee for building the Erskine toll bridge over the River Clyde before traffic flows justified it, and for badly miscalculating the income the tolls would bring.

The committee, under the chairmanship of Mr. Edmund Dell, Labour MP for Birkenhead, also discovered that no account had been taken of the effect tolls would have on diverting traffic to free crossings further up-river.

Sufficient

In 1965, when the decision to build the bridge was taken, it was estimated that the capital cost, including approach roads, would be £6m. and that the traffic flow would be 3m. vehicles a year in 1970, the expected date the bridge would be completed. This rate was expected to increase at 7 per cent. a year compound.

On this basis it was estimated that with a 2s toll on cars the income from the bridge would be sufficient to recover its capital cost within 30 years, together with interest, and to provide for maintenance.

In 1966 revised traffic estimates were prepared to take account of potential new developments on the Clyde and these indicated substantially higher traffic flows. It was therefore decided that an initial toll rate of 1s for all vehicles would enable the capital cost to be recovered in 20 years and this period was written into the necessary Parliamentary legislation.

But by 1970 it had become apparent that the annual rate of traffic growth had decreased from 7 per cent. to about 3 per cent. and earlier estimates of land-use development and population growth were also proving over-optimistic. It was also realised that planned road improvements providing easier access to a toll-free tunnel and bridge, respectively six and nine miles upstream, could be expected to have a significant effect on the distribution of traffic.

Consequently, the estimates were again revised and with a revised capital cost of £7.1m. plus higher interest charges it was calculated that no toll rate which the bridge traffic would tolerate could secure sufficient revenue to provide for the costs of the bridge, however long the toll period.

Faced with this prospect the Department decided tolls should be levied at basic rates of 15p for private cars and 50p for lorries but it was estimated that even at these levels, the bridge debt including interest would rise during the 20-year toll period from £7.1m. to £19.5m.

During the nine-month period the bridge was open to traffic in 1971-72 the volume of traffic and the revenue yield were only 60 per cent. and 52 per cent. respectively of the levels forecast in 1970, and the Department estimated that the bridge debt would rise to between £35m. and £40m. by the end of the present toll period.

Alternatives

The Public Accounts Committee "was concerned to learn that when the 1965 and 1966 traffic estimates were prepared little or no account had been taken of the possibility that existing or proposed alternative crossings would affect the traffic across the bridge because of the toll, the report comments

In the PAC's view the situation had arisen because the bridge was built before traffic flows justified it.

Eighth Report from the Committee of Public Accounts, Session 1972-73; SO £2.15

HOME CONTRACTS

Baker Perkins Jaxons wins £½m. orders

Baker Perkins Jaxons has received a contract valued at over £410,000 from the Oxford Regional Hospital Board, for plant for the proposed northern area laundry to be built at the St. Crispin Hospital, Duston, Northampton. The company has also won a contract worth £100,000 from the North West Metropolitan Regional Hospital, for finishing equipment at the new Hillingdon Hospital Laundry.

★

Ferranti has been awarded a £750,000 Post Office contract for the provision of three packet-switching exchanges. These are to form the hub of a Post Office experimental packet switched service, to be set up in London, Manchester, and Glasgow by 1975, which will experiment in transmitting computer data in self-contained, addressed blocks or packets.

★

GEC Telecommunications has received contracts worth over £650,000 from British Rail. They include carrier multiplex equipment, 12 circuit carrier-on-cable transmission systems for computerised freight management and 960 circuit coaxial cable systems.

★

David Brown Gear Industries has received an initial £500,000 order for geared transmissions at the British Steel Corporation's new pelletising plant at Redcar.

★

Dorman Long Wire, members of the Tinsley Wire Group, has been awarded a £2m. contract by British Bridge Builders for cable wire for the new Humber Bridge. The order will involve the supply of 11,000 tons of galvanised high tensile wire. Deliveries are to commence in July, 1974.

★

Sportswork has been awarded a £106,445 contract by Renfrew Town Council to extend the King George V playing fields on land of the former Renfrew airport. The work includes all-weather football pitches, children's play area and car parking space.

★

James Laidlaw and Sons has been awarded a £331,000 contract by the Heron Group of Companies for the construction of a three-storey office block at Stepps Road in Glasgow. Work on the 2,920 square metres block is to start immediately and the contract should be completed in 14 months.

★

Ferguson Brothers (Port Glasgow) is to build two sea-going suction dredgers, together worth about £2.5m. for operation by South Coast Shipping. The vessels are scheduled for delivery in August and November 1974.

★

Fitzpatrick and Nicholls Construction has won a £136,851 contract for the improvement of the North Circular Road in the London Borough of Enfield. Work is to start soon and should take 10 months to complete.

APPOINTMENTS

British Relay executive post

Mr. Barry King, managing director of BRITISH RELAY WIRELESS AND TELEVISION has been appointed vice-chairman on the retirement from the Board of MR. F. B. DUNCAN, deputy chairman since 1955 and a founder member of the Board.

★

Mr. A. Dobson and Mr. B. Wallace have resigned as directors of BURNHOLME AND FORDER.

★

Mr. H. P. Hartley and Mr. J. C. Bright have been appointed to the Board of OFREX GROUP.

★

Miss Jessica Cloudesley has been appointed director of information to the ASSOCIATION OF CERTIFIED ACCOUNTANTS.

★

Mr. Geoffrey Muscroft has been appointed managing director and Mr. Reginald J. Walker deputy managing director of OTTO DURR GREAT BRITAIN.

★

Mr. B. D. Hall, secretary of GUILDWAY, has been appointed a director of the company.

★

Dr. J. R. Vane joins The WELLCOME FOUNDATION on September 1 as a director. He will progressively take over from Dr. D. W. Adamson the duties of research and development director.

Dr. Vane has been professor of experimental pharmacology, University of London, at the Royal College of Surgeons of England since 1966.

★

Mr. Sidney H. Stock has been appointed chairman of RUDOLF WOLFF STEEL.

★

The NEWSPAPER PUBLISHERS ASSOCIATION Council has announced that, consequent upon his appointment as chairman of East Midland Allied Press, Mr. Frank Rogers will cease to act as director of the Association from December 31. Mr. Rogers said "After 37 years in national newspapers I am naturally sorry to be leaving Fleet Street."

The NPA will in due course issue a statement dealing with the executive arrangements to be made from January 1. Lord Goodman, chairman of the NPA, said "Mr. Rogers' departure will be much regretted throughout Fleet Street."

★

Mr. T. P. Thomas has been appointed to the Board of GUINNESS OVERSEAS as financial director, from October 1.

★

Mr. George Claxton, director of marketing, South Eastern Region, BRITISH GAS, has been appointed sales director from October 1, in place of Mr. A. I. D. Frith, who becomes chairman of the South West Region of British Gas on that date.

★

Mr. Frank Delzio has been appointed vice-president—Europe for ROCKWELL INTERNATIONAL CORPORATION.

★

Mr. A. W. Houston has been appointed a director of the JOHN BRIGHT GROUP. Mr. Houston is a director of Houston Management Services, Wolverhampton Die Casting Group, Tecalemit and Thermal Syndicate.

★

Mr. Mervyn E. Smith has been appointed joint managing director of REYNARDS (EXCAVATIONS), with Mr. J. W. Reynard. He succeeds Mr. L. I. Casper, who remains chairman.

★

Mr. Alan C. Nicholls and Mr. David T. Hills have been appointed assistants to the directors of GUY BUTLER (INTERNATIONAL), a member of the Clive Holdings group.

★

Mr. David Poole has been appointed managing director of NEWMAN FABRICATIONS. He succeeds Mr. G. H. Bass.

★

Mr. J. W. Erikson, former senior executive with Exxon, has assumed the post of president of INCON SA, a new oil company in Madrid which is associated with Dycon Petroleum of London.

★

Dr. Eluned Woodford-Williams is to be the new director of the Hospital Advisory Service. She succeeds Dr. Alex Baker, the first director, who will be taking up an appointment with the South Western Regional Hospital Board as a consultant psychiatrist at Gloucester.

Dr. Woodford-Williams will take up her appointment on a part-time basis on September 3, becoming full-time on November 1.

★

Mr. C. Bevis Sanford has been appointed a director of HUMPHREYS AND GLASGOW.

BUILDING SOCIETIES

FINANCIAL TIMES SURVEY

Surrounded on all sides by extra pressures

By SANDY McLACHLAN

To-day, and not for the first time in recent months, crisis talks are being held between Government ministers and building society leaders. The meeting is at the request of the Building Societies Association whose members want to discuss the worsening mortgage situation with the Government in advance of the meeting of the Association council on September 14.

The Association has already recommended a 10 per cent. mortgage rate, and is worried that rates may have to go higher still if the Government takes no action. As well as discouraging new borrowers, the rapid increase in interest costs is reaching the stage where existing borrowers may have difficulty in meeting their monthly repayments.

The mutual nature of building societies has always left them open to criticism. At any one time, depending on one's viewpoint, they can be criticised for paying too much attention to the interests of their depositors at the expense of their borrowers or vice versa. This is something which building society managers had come to accept more or less philosophically, and they reacted by moving cautiously when they had to move at all in terms of changing the structure of interest rates.

In to-day's investment climate, however, this is almost a subsidiary consideration when compared with the other pressures which have been placed on the movement. The success of building societies in attracting and lending funds has brought them to the fore in terms of sheer financial muscle. This in turn has put the spotlight on their importance in regulating the housing market, since the availability of building society funds can significantly affect house prices and through that housebuilding in the private sector.

As if that were not enough, the cost of housing has become a highly political issue in the light of the Government's anti-inflationary policies, while at the same time the competitive pressures on the building society movement in terms of obtaining funds have been substantially increased by other Government policies designed to control the money supply and promote competition in lending.

Unhappy chiefs

All these factors have combined to leave building society chiefs unhappy about the role they can play or can be expected to play in fulfilling their traditional role of financing owner-occupation. In some respects at least they have become as much a political football as people engaged in other price-sensitive occupations such as the baking of bread.

The recent problems of the building society movement stem back to the new competition in lending policy announced by the Bank of England in 1971. The basic theory here was that the financial institutions should be allowed to compete freely among themselves in terms of attracting and lending money, thus removing the quantitative controls on the lending of, for example, the clearing banks which had previously prevailed.

The original Green Paper setting out this new system of control—which was to operate through official manipulation of the interest rate structure—specifically said that it might be necessary to make special provisions for the protection of building societies, which had been exempt from previous controls, in view of the social importance accorded to increasing home ownership. At the time this seemed an unlikely eventuality: bank deposit account rates were low and building society interest rates were highly competitive. Since then no more has been heard of this suggestion, but now the situation has changed to the extent that building society rates must reach levels which until recently at least were politically unacceptable, simply to keep a slight edge over the clearing banks operating from an 11 per cent. base rate.

The next blow to the building societies was the reorganisation of the personal taxation structure which reduced the standard rate of income tax from 38.75 per cent. to 30 per cent. Since building society interest is paid to investors net of tax this reduced the attractiveness of the grossed-up equivalent as compared to other forms of savings where interest was paid before deduction of tax. The effect of this was cushioned to some extent by the fact that the tax rate paid by the building societies themselves also fell, which allowed them to increase the net rate offered to investors without changing the mortgage rate. This, however, did not entirely fill the gap and the general level of interest rates was anyway rising.

At the beginning of April this year, therefore, the building societies were faced with a difficult decision. They had already absorbed the effects of the changes in the taxation structure by cutting the margin between their lending and borrowing rates, but still the net inflow of funds was falling. Commercial considerations dictated an increase in the investors rate from 6.3 per cent. to 6.75 per cent.—but this implied a 10 per cent. mortgage rate.

The Government was horrified at the prospect. It had only recently announced its Phase 2 proposals and an almost immediate increase in the mortgage rate to double figures seemed as likely as anything else to effectively torpedo their potential success. The patchwork solution was a three-month subsidy costing up to £18m., which would allow the investors

Continued on next page

Willy-nilly in the interest race

By MICHAEL CASSELL

As every building society repeatedly points out, it has to attract money to survive—a fact often lost sight of in the emotional debate now raging around the movement's ears.

This is the major task, for unless societies get money coming in over the counters—and manage to hold on to as much of it as possible—none of them can successfully carry out its role as the provider of finance for house purchase.

Hence the movement's necessary pre-occupation at the present time with developments in the interest rate market. After many years of holding a traditional, unchallenged lead over most savings media, the building societies now find themselves struggling to keep their heads in front, involuntary participants in a race which is not yet over.

Banks have not in the past been regarded by many within the building society movement as serious competitors for deposits but that has certainly changed now. Their action in raising interest rates to record levels—sparked off by the Government's desire to curb inflation and protect the pound—has already forced societies into taking immediate action to protect their competitive standing.

Such is the concern within the movement that societies may well approach the Government to impress upon it that the rate spiral will have to be curbed unless it is prepared to stand by and see the spread of home ownership held back.

Restrictive rate

If societies are forced to stay ahead of the banks to attract funds from an increasingly sophisticated market, the mortgage rate will continue to become increasingly restrictive and many potential house buyers will be denied the goal of buying their own house—something which Government and building societies alike have urged them to strive for.

Mr. Leonard Boyle, chairman of the Building Societies' Association, has already given a timely reminder that the Green Paper on competition and credit control reserved the Government's right to intervene when the banks' interest rates reached a level where building societies and National Savings could be hit. While the latest situation has not been brought about by the "new freedom," the societies are nevertheless threatened by the activities of the banks and feel justified in calling for help.

How much success anyone will have, in the face of a public declaration from the Bank of England that interest rates can be expected to remain at record levels until inflation is under control, remains to be seen.

While societies are trying to derive some comfort from the fact that the latest crisis may only be relatively temporary, they are having to face the prospect of operating against a background of higher and more volatile interest rates. Serious doubts as to whether or not the traditional system of rate adjustment is any longer suitable are now being voiced.

From the societies' point of view, they are frustrated by a longstanding obligation to provide a minimum of one month's notice—in some cases three months—of any changes in rates for depositors, while the investors' return can be changed overnight.

When rates are rising, societies can find themselves digging deep into reserves during the period before the mortgage rate aligns itself with the rate paid to depositors. Such changes can literally cost millions of pounds in the case of large societies and, quite naturally, such regular rate movements give rise to concern. The smaller societies with limited reserves can find the situation even more embarrassing.

Societies now seem anxious to explore the possibilities of mortgage repayments being adjusted only once a year. Rate changes in any 12-month period would be then accounted for and a new repayment figure accordingly fixed for the ensuing year.

If, however, societies are anxious to preserve the right of the borrower to be told of changes in advance—a somewhat doubtful advantage—they may well have to establish a procedure which allows for regular movement of the depositors' rate without corresponding adjustments to the level of interest payable on mortgage being necessary.

Before the decision to fix the mortgage rate at 10 per cent. was hurriedly taken earlier this month, there was a suggestion that it should be pitched at a higher level than was actually made necessary by the investors' rate. This would give societies more room for adjusting the deposit rate without corresponding changes being necessary on the other side of the equation. Under such a scheme, however, borrowers could face high building society lending rates at a time when they are falling elsewhere, in order to enable the fluctuations to be ironed out.

It is clear that the building societies' gearing to a slow-moving interest market has become outdated, even though events might not always prove as critical and as volatile as at present. Some rethinking in this direction is now needed and will certainly come about as a result of recent events.

Another major talking point in the past few months has been the possibility of devising a scheme to help even out the level of funds which societies have available for house purchase. The idea, given widespread publicity after a public airing by Mr. Anthony Crosland, Labour spokesman on the environment, attracted considerable popular support and was brought into talks held between the Government and the societies to discuss the future prospects for curing the long-term problems of ensuring an adequate flow of funds.

Levelling out

The scheme, at its simplest, would allow societies to put "buffer" funds on one side for use when finance was scarce, so levelling out supply and hopefully acting as a stabilising influence on property prices.

Closer consideration, however, appears to have convinced many people that any such idea is basically impractical, even if apparently attractive. The Government, for one, seems convinced that it would not work.

The first point made by societies is that for a number of years the demand for mortgages has been such that there are few opportunities for setting up a scheme which could only be created at a time of excess funds. A major point to be settled in any scheme would involve the determination of the proper level of lending in any one year, and hence the point at which funds were put on one side. In any case, building societies are quick to point out that their liquid funds already represent a stabilisation fund and are used to help meet high demand.

The movement reacts strongly and quickly to any suggestion which could open the door for large-scale Government intervention in the conduct of its affairs. Societies were unhappy about the Government's decision earlier this year to step in and provide them with a £15m. bridging grant and remain determined to see that, while a closer working relationship with Government might prove useful, they are left to run their own business.

Provided they adapt their ideas to match the environment in which they now operate, and are seen to do so with effective results, the chances of outside intervention should be substantially reduced.

BUILDING SOCIETIES II

The soaring cost of mortgages

By PETER RIDDELL, Property Correspondent

Mortgage rates are now at a level which would have seemed highly improbable to most building society leaders last year and inconceivable to anyone a couple of years ago. After all in August and September *1972 the building society* movement was debating whether to lift the mortgage rate from 8 per cent. back up to the then record level of 8.5 per cent.

The subsequent movement up to the current Building Societies Association recommended rate of 10 per cent.—and possibly even higher before long—has occurred because of the steady rise in general interest rates during the year.

This in itself reflects both the current high rate of inflation and the implementation of the official Competition and Credit Control policy. The latter has brought in a new framework where interest rates fluctuate much more freely—and therefore in current conditions, rise to much higher levels than would have seemed possible be*fore. This trend of increasing* interest rates has been reinforced by the high rates overseas and by the Government's attempts to fund the massive public sector borrowing requirement.

In any event, the rise in interest rates reflected in the increase in the clearing banks' base rate to 11 per cent. has put growing pressure on the build*ing societies to adjust their own* investment and mortgage rates. But because of the very volatility of general interest rates both the investment and the mortgage rate have had to be adjusted much more frequently than in the past. While in the whole of the 1960s there were only seven changes in the mortgage rate recommended by the Building Societies Association, within the last two years there have been four changes, including two in the last five months, with another change highly likely, if not probable, before the end of the autumn.

Although this has created considerable inconvenience and annoyance to borrowers the main difficulty has been created by the fact that the direction of most of the changes has been upwards. Moreover the experience of the last year has been that each increase in the investment rate has—after a good net inflow for a couple of months—proved insufficient in face of a further rise in interest rates. The societies have, however, been fortunate in the sense that it was possible to increase the investment rate earlier this year without adjusting the mortgage rate because of the changes in the personal tax system.

Short-lived hopes

But this was a once-and-for-all boon, as was seen in the spring when a further rise in interest rates forced the societies to consider *a 10 per cent. mortgage* rate. The crisis which this provoked underlines the extreme political sensitivity of the mortgage rate since in its eagerness to avoid a 10 per cent. rate the Government produced its £15m. special three month grant which held the rate down to 9.5 per cent.—still one point over the previous record level. However, the Government's *hopes that interest rates would* fall proved short-lived. Despite a temporary optimistic period in July the pressures mounted again and amid the expected outcry the Building Societies Association recommended rate rose to 10 per cent. a few weeks ago. And there is a substantial *body of opinion within the move*ment which argues that the rate will have to be increased further since the current investment rate may not be high enough given current record bank deposit rates.

While even 10 per cent. seems an astonishing figure to those accustomed to the conditions of the 1950's and the early 1960's what effect does it *actually have on borrowers?* There is no simple answer to the question which is part of the reason why the building societies are in such a difficult position at present.

Existing borrowers, who bought in the 1950's or early to mid 1960's, are, in fact, not too badly affected. Although the rate has risen from 6.75 per cent. since 1965 and this has obviously increased the amount of monthly repayments the real cost of borrowing has dropped since prices as a whole have risen faster than the increase in interest rates.

Even if this is a somewhat esoteric argument existing borrowers also benefit from the fact that in the later years of paying off a mortgage the *interest proportion*, which fluctuates according to the mortgage rate, is much lower than in the early years, while the bulk consists of capital repayments which are fixed. On the other hand, the interest element attracts tax relief while the capital section does not.

At the same time it is much easier for someone who has paid off—say, 10 to 15 years of *a mortgage—to extend the term* and maintain gross monthly repayments at the same level. But such extensions become greater as interest rates rise—and in many cases borrowers would be wiser to pay slightly more per month rather than extend the life of the mortgage by several years. The proportion of income an existing borrower is paying out is often low by comparision with what a new or recent borrower pays in view of the impact of inflation on both incomes and house prices. However, extending the term has appeared attractive to people whose mortgages have only a very few years to run, especially as the net payment per month *may actually fall—even though* the gross payment is unchanged. This is because of the increased tax relief due on the larger interest element involved.

Untaxed gains

But the principal reason why the recent increase in the mortgage rate is not so damaging for existing borrowers is that the same inflationary forces which have helped raise interest rates have also provided them with large untaxed capital gains on their houses. Although this is to some extent only a paper profit it does provide a substantial source of capital which can eventually be realised.

These same factors make the position much more difficult for recent or potential house buyers. One result of the increase in the mortgage rate is that interest now accounts for some 91 per cent. of the monthly repayments in the first years of a 25-year mortgage. The recent change from 9.5 per cent. to 10 per cent. in the recommended rate has increased gross monthly repayments for a person with this type of mortgage from £8.83 per £1,000 to £9.19 per £1,000.

Until now the increase in the mortgage rate has probably not had much effect on demand as there has not been any noticeable slackening in the number of potential house buyers. A far more important factor has always been the level of house prices and the rapid inflation of the last couple of years has prevented far more people from buying the house they want than has the increase in the mortgage rate.

The situation may be changing now since, as Roy Cox of the Alliance Building Society recently argued another rise in the mortgage rate could lead to many *new* borrowers being priced out of the market. On this view the upper limit has almost been reached using traditional methods of interest rate adjustment. An illustration of this is the fact that as the rate increases the proportion of income new borrowers must pay out each month also rises very sharply.

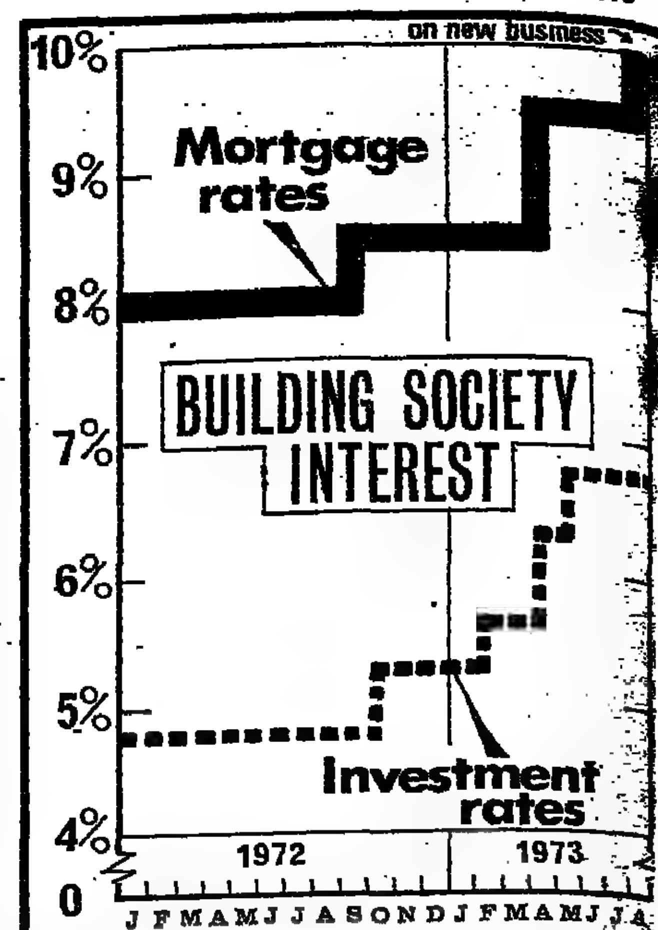
Assuming an 11 per cent. *mortgage rate, for example,* the normal building society calculations based on the ratio of monthly repayments of capital and interest to a week's wages would allow people to borrow only twice gross income compared with three times at the moment.

The other complicating factor of increasing interest rates is the difficulty of extending the term. *Following the increases* in the rate last autumn and earlier this year many recent or new borrowers are approaching, or have reached, the point where they cannot extend the life of their mortgage any further without prolonging the loan to infinity.

This arises because the monthly repayments will not be sufficient to service the debt let alone repay any of the capital. Thus at 10 per cent. anyone paying less than £8.33 a month per £1,000 will not be repaying off any capital but merely adding to his debt. And the building societies will not allow many people to extend the term of their mortgages following the latest rise for this reason.

The controversy which this situation has aroused is very far from being resolved as the pressures for a further increase continue to mount. But whatever the initiative, if any, the Government produces on this topic it is clear the building societies will have to alter some of their traditional thinking about the mortgage rate structure.

The first priority is simply to make the mortgage rate less of a political symbol and to produce a situation where frequent alterations are accepted as normal without all the technical complexities now involved. One possible approach is that mortgage repayments should be altered only once a year so that at the end of the year all the *adjustments of the previous 12* months could be added up and a new repayment figure would be agreed affecting the following 12 months.



Another approach

If this proved impossible another approach might be not to alter the mortgage rate as frequently as at present but *instead maintain it at a high* enough level, above the comparable current rate, to allow the investment rate to be altered more frequently in response to general interest rate conditions. This would remove some of the direct connection between the two rates and would probably mean that mortgage rates would not fall as far as in the past when general interest rates drop.

Another even more radical suggestion which has been made by Roy Cox is that building society interest should be indexed. This would be along similar lines to those the Page Committee suggested for a new index linked bond to help the voluntary savings movement. The basis of Mr. Cox's scheme is that investors would receive a fixed rate of interest while capital would be increased in line with the rate of inflation in some way, partly depending on how high a rate of interest was proposed. Under this plan the borrower would pay fixed rate of interest, related to that paid by the investor, plus an annual increase in the capital sum owed also related to the rate of inflation. This would basically mean that the amount repaid would increase in line with the general rate of inflation, and should thus bear some relation to the increases in an[...] vidual's annual income.

This scheme is [...] similar to the low[...] mortgages which ce[...] societies have introduced on [...] principle that repaym[...] should increase steadily, [...] or less in line with the [...] increase in an individual's [...] over his lifetime. The [...] these schemes work is th[...] the first few—normally [...] years of a mortgage [...] borrower pays only interest [...] starts paying back capital [...] steadily increasing mon[...] payments after this pe[...] Several of these plans [...] been introduced recently [...] by building societies and [...] authorities, and they have [...] very popular.

Some of the leading soci[...] are sceptical about [...] schemes though. They [...] that there is a danger of [...] stretching young people's [...] mitments in this way. But [...] movement has neverth[...] made clear its intention [...] devote far more time [...] resources to help young [...] time buyers, both by this [...] of plan, by taking into acc[...] more of a husband's income [...] by certain variants on the [...] per cent. mortgage idea. [...] topic is high on the list of [...] jects being discussed by [...] movement and the Governm[...] and various other schemes [...] low-start mortgages are li[...] to appear over the next yea[...] order to cope with the probl[...] of new borrowers hit by [...] continuing rise in the mortg[...] rate.

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By extra pressures

rate to stand at the competitive level of 6.75 per cent., while keeping the mortgage rate at the politically acceptable level of 9½ per cent.

The real hard bargaining came in July, with a meeting of the Building Societies Association Council scheduled for Friday the 13th, and the subsidy due to come off at the end of the month. At this stage considerable pressure was brought to bear on the building societies to trim the investment rate to a level which would allow the mortgage rate to remain unchanged at 9.5 per cent.

Partly because the inflow of funds in April and May had been at record levels, partly because there was some indication of a downward movement in interest rates, and partly as a result of the political pressure, the BSA council did in fact agree to hold the mortgage rate, and recommended a reduction in the investment rate to 6.4 per cent. net.

Events since that date have made a bit of a mockery of the issues which caused such heart-searching at the time. In a matter of a few weeks international considerations became *paramount as far as interest* rates were concerned with the weakness in sterling on the troubled foreign exchange markets. The Bank of England minimum lending rate shot up to an unprecedented 11½ per cent. and shortly afterwards the clearing banks were forced to move their interest rate structure to keep in line.

Balance shifted

The balance of political necessity had shifted, and the building societies were left to sort themselves out. An emergency meeting of the BSA council was called for this month (when normally no meeting is held) and the decision to cut the rate to investors was rescinded. The council recommendation was that the mortgage rate should indeed go up from 9½ per cent to 10 per cent. and most of those of the major societies which have held back from following this recommendation have done so not because they think it is too hasty, but because they feel that the half per cent. increase may turn out to be insufficient. Only this week the chairman of the Leek and Westbourne, Sir Hubert Newton, has warned of the possibility of a mortgage rate of up to 14 per cent.

This chronicle of events serves to highlight the ambiguity of the situation in which the building society movement finds itself. Lacking the clear-cut discipline of a profit motive, building society leaders have always tempered the commercial aspects of their business with a consideration for the social aspects of fostering home ownership. They have always been encouraged to do so by governments, but recently social considerations have become inextricably *intertwined* with political expediency.

When the three-month subsidy was applied there was considerable unease among building society leaders, who felt that this was a first official foot in the door towards quasi-government control of the movement's policies. Even now the feeling remains that freedom of action will never quite be what it was.

The extra pressures imposed on the building societies have *imposed a good deal of strain* on the cartel arrangement whereby all the major societies at least have followed the interest rate structure recommended by the council of the Association, and some voices are openly advocating that this system should be abandoned.

There is a growing militancy inside the movement which takes the view that if societies are to be subjected—as they have been—to the full rigours of competitive pressure then they should increasingly concentrate on the commercial aspects of their business, leaving the social implications of high interest rates to the authorities that engineer them.

Backing up this viewpoint is *the fact that even with a 10* per cent. mortgage rate or higher for the last four months of 1973 it is unlikely that the building society movement will be able to lend any more this year than it did in 1972. The rate of house price increase has fallen away rapidly, but this still implies a fall in the number of mortgages granted as compared with last year.

BUILDING SOCIETIES III

Putting two together is a long business

By KENNETH GOODING

Merging two building societies is a complicated process which takes a very long time. There are so many obstacles to overcome that the *pressures for a merger must be* particularly strong before any society will consider such a move. To start with, a merger needs the approval of a two-thirds majority of shareholders and the administration involved in getting this is almost enough to make sure that the major societies do not amalgamate—even if the Chief Registrar of *Friendly Societies would allow* them to think about it in the first place.

There are other problems with mergers involving more emotional things like clashes of personalities among directors, the question of compensation for retiring directors, loss of a local name and all manner of things which can be wrapped *up under the general headings* of "pride and prestige."

But in spite of all this there is a steady—even remorseless—stream of mergers among building societies. Since 1900 the number of societies has fallen from around 2,000 to about 465 and in the past ten years, when the process speeded up, their numbers dropped by a third. The result is that the ten largest societies account for more than 65 per cent. of total assets of all the societies, the next 21 societies account for *another 20 per cent. of total* assets leaving nearly 300 societies with assets ranging from £500,000 to £50m.

Asset growth

It is not so long ago that the description "a small building society" fitted only those with assets of less than £5m. but with the asset growth of all the societies running at between 15 and 20 per cent. a year, the "small" society is now one with assets of under £50m.

Once upon a time these societies enjoyed local loyalty and earned it through good personal service. This changed as population movement became more common. Even if people moved only a few miles from the traditional family home, they would leave behind the branches of their old "local" society.

Personal service can still be offered but then the major societies at branch level also pay particular attention to this—competition from other societies means you must take care of the customer. The majors also have their impact of the "local" society by widespread and effective promotion and publicity and by "retail" *networks which* see the branches of the big societies opening up in most major population centres.

For protection

No wonder then that "local" societies are beginning to get together for protection, especially in those areas where two such societies have been competing among themselves as well as with the encroaching giants.

In the past year there have been two examples of this type of merger. Two Wolverhampton societies—the Wolverhampton Freeholders Permanent Building Society and the Wolverhampton and District Building Society—announced in February they intend to join forces at the end of the year with the merged operation becoming the Wolverhampton *Building Society. The new* society will have 14 branches and 50,000 members, combined assets of around £50m. and become the 35th largest society in the country.

At the time the merger was announced a spokesman maintained: "A major consideration in the decision to recommend a union was branch development. At the present time there has been no overlapping of branch offices but the policy of both Boards to expand the activities of their societies by *means of branch development* would have led inevitably to duplication. By joining resources the united society can best serve the needs of its present members and also be in an admirable position to expand in the most economical manner."

Then in May the Somersetshire Building Society merged with Bristol and West. Somersetshire had almost 1,100 investors and borrowers and its office in Glastonbury became a local office of Bristol and West—*which already had* 60 branches. The same kind of thing happened a month earlier when Northern Rock took over the Royal Arcade Building Society of Newcastle-upon-Tyne, *which had* 1,000 members and a Newcastle office which became a branch of Northern Rock. The latter society already had more than 50 branches.

Operational costs for a larger society can be much more competitive with the use of sophisticated accounting and office technique and once a society can build its assets up to around the £20m. level it can join others in an aggressive branch development policy.

The same kind of pressures are being felt by the medium-sized societies and account for the decision by Eastern Counties Building Society to set in motion plans to join forces with Leek and Westbourne—the *biggest building society merger* in recent years and one which will produce the seventh-largest society in the U.K. with assets of about £500m. At present Leek and Westbourne is eighth in the league and Eastern Counties 38th. Together the societies will have 150 branches which will carry the name the Leek Westbourne and Eastern Counties *Building Society.*

Will to expand

Discussing the problems the smaller societies face in avoiding being mopped up in mergers, Mr. Vincent Watford, director and general manager of the Enfield Building Society, has declared: "I am sure it will become increasingly difficult for the smaller society to preserve, let alone corner, a larger part of the potential market unless able to display to the public a vigorous and dynamic organisation. This means a more progressive outlook in management, shop windows in good positions where the society can be seen to be thriving, a readiness to accept the challenge of changing conditions and, above all, a desire and will to expand."

He suggested that the smaller societies, if they are not to fall by the wayside or be swallowed up in mergers, will have to be judged by the service they give. Directors of a small society could more readily take into account local conditons and thus vary their policies to meet the circumstances. This allows greater flexibility in management which is advantageous to *both investors and borrowers.*

Local knowledge

"The more rigid approach to mortgage problems adopted by some of the larger societies can alienate sections of the public and possibly even their own members. The smaller society with its local knowledge and connections can do much to help the would-be borrower, certainly in times of mortgage famine.

"This is particularly true of the financing of home improvements as there is a vast difference between the rates charged by building societies and those charged by finance houses specialising in this type of business," he added.

When decimalisation came to the U.K. it allowed a greater variation in the rates offered for standard investments and many societies within the *"small" category pay above* the rate recommended by the Building Societies' Association. This has meant that they get a steady flow of funds. They can hand out higher interest rates because in many cases the small society, because of its compactness, has lower operating costs.

It is really anybody's guess about just how many of the small and medium-sized societies will continue into the 1980s. But it is certain that the merger process will continue on *its slow and gradual course.*

Competition for savings becomes a major issue

By MICHAEL BLANDEN

Competition for savings funds between the building societies and *other outlets has been a* major financial and political issue this year. The savings market to a considerable extent is divided: it is arguable that competition for money from the big banks, for example, is likely to have only a relatively minor impact on the flow of resources into the movement from small savers. Nevertheless, the societies have demonstrated that *they feel vulnerable when* interest rates in other sectors of the market rise to levels competitive with the terms they are able to offer to their depositors. Their concern must be greater if the competition is coming from the much more directly comparable outlets of National Savings.

The better terms on National Savings introduced in the Budget were certainly one of the important reasons for the problems which the building societies faced earlier in the *year. If the recommendations of* the Page Committee report on National Savings were carried through, it would be natural to expect that the considerably increased competition which would result would have a substantial impact on the building societies.

Total outstripped

The Page report itself pointed out that the building societies, dominant in the area of short-term saving, were directly in competition with National Savings. "Both the borrowing and lending functions of building societies," the Report commented, "affect the amount of money available for National Savings." It is a competition, moreover, which the building societies have been winning: their growth rate has been greater, and in fairly recent years the total funds of the building societies have outstripped the whole of National Savings.

The Page recommendations, however, included a number of important moves to improve the future which the various National Savings outlets would offer and their competitiveness with other outlets. One directly affecting the building societies would be the suggested withdrawal of the Save as you Earn *scheme — though it is unlikely* that the societies would be seriously damaged by removal of a relatively minor source of funds.

Much more important is the prospect of higher returns being offered by various forms of National Savings. The suggested development of an index-linked bond, the simplification and improvement of the National Savings Treasury securities (with the proposed offer of a single attractive new bond) and the various proposals for improving the functioning of the National Savings Bank should all represent increased competition for savings funds.

Perhaps most important would be the radical changes envisaged for the Trustee Savings Banks. The Page recommendations suggested that they should be freed from their traditional connections with Government and allowed to *develop as a separate* "people's bank" catering mainly for personal accounts. The concept of developing as a "third force" in personal banking, moreover, has already attained a perhaps surprising acceptance among the normally cautious Trustee Savings Banks.

In its examination of the building *society movement,* however, the Page Committee came to the general conclusion that in fact its proposals for the reform of National Savings *should not have a substantial* impact on the building societies. Recognising the profound effect which the growth of building societies had had on National Savings, the Committee nevertheless went on to say "we believe that nothing we have recommended for the trustee savings banks should embarrass the building societies in any way."

Indeed, the Committee argued, "We think that the existence of a competitive and vigorous savings bank organisation, not inhibited from attracting deposits and investing them in any sensible way it thinks fit, including lending on mortgage, should benefit the building societies and the saver and borrower in the long run."

Formidable array

Part of the background to this view was provided by the "fairly formidable array of advantages over National Savings" held by the building societies. Most important, the Committee argued, was the unique tax arrangement applied to the societies. This meant that the saver did not have to pay tax on the interest received (unless he was in the higher tax ranges). The total cost to the building societies of paying interest and tax is lower than it would be if they paid interest gross to the saver, because of the composite rate. And lending rates "are lower than they would be if the building society had to pay interest gross on borrowed money."

On top of this, the Committee pointed out, the depositor can withdraw his money at very short notice from the building society, in contrast with many National Savings outlets. The interest is credited half yearly, but calculated daily — in contrast to the savings banks which calculate monthly and credit annually, which could make "a substantial difference to a man who may want his money in a hurry."

There is also, the Committee argued, the rather less tangible *but important* attraction that depositors with the building societies are likely to be favoured when they come to seek a mortgage. And though the building societies are not guaranteed by the Government, the Committee found that the risk of any failure was small and indeed that they registered with savers as more secure institutions than the savings banks themselves.

"The substantial growth of building society deposits over the last ten years," the Committee commented, "has put National Savings in the shade. If buildings societies continued to develop at this pace they would, in a relatively short time, make the services provided through National Savings insignificant by comparison."

This led Page on to consider whether indeed the societies might not indeed take over completely the present role of National Savings and develop as full savings-bank type institutions. The Committee found, however, little inclination among the building societies to broaden the *scope of their activities* in any radical way, and no wish to replace National Savings.

There was some inclination, Page reported, to widen the range of services and the appeal of the societies (one of the reasons why they had been keen to participate in SAYE). But any extension of this kind, it was felt, could be no more than fringe activities—and personal loans for consumer durables would both conflict with the societies' main purpose in life and run up against official opposition.

Price inflation

The main problem facing the societies, the Committee suggested, was the impact of inflation on house prices and thus on the size of loans. If the *building societies were to meet* the demand, they would need to borrow yet more money. "This increased demand for funds must create an increasing competition for the investments of the small saver unless: (a) the building societies begin to attract commercial and institutional money—which will probably mean that they will have to pay higher rates; or (b) the Government assists building societies with loans—which it may decide is necessary if the home ownership part of Government policy is not to fail." The words have proved prophetic remarkably soon.

BUILDING SOCIETIES IV

New investment schemes aim a counter-attack

By KEITH LEWIS

The trouble with the investment world nowadays is that no one seems to stick to the rules any more. By that I mean that it is no longer possible to sketch out the boundary lines between the institutions with any certainty. For example, one sees finance houses going in for "money shops," unit trusts going in for life assurance and, in one case, even merchant banks starting to compete with the clearers for current accounts and so on.

In short, the field of financial services is something of a free-for-all at the moment, with the investor in the happy position of having a far wider selection than ever before. And in this climate the investor or saver, call him what you will, has become more discerning and more difficult to please. He now realises that inflation is hurting him directly, and whereas in the past he has been loyal to his institution he is now shopping around for the best "buy."

No longer captive

Nowhere has the competition been fiercer than in the field of fixed interest. While many are still apprehensive when it comes to equities or property, there are plenty of people who still think in terms of "income" and a safe, static rate of return. The banks and building societies no longer have a captive market in this area, a great many new investment products having come on to the scene with higher rates of return.

The biggest threat has been mounted by the life assurance companies which have been parcelling up annuities and life assurance and marketing the end result as guaranteed high income bonds. It is estimated that in 1972, the first real year during which their popularity was established, income bonds took in a total of £150m.

Basically, an income bond consists of a deferred annuity—which provides the return of capital at the end of the term—and an immediate annuity, which provides the income. The third layer is life assurance which merely provides the appropriate benefits in the event of death.

The rates of return are extremely attractive; depending on the age of the annuitant, it is possible to secure a net income of around 8 per cent. Furthermore, the income is payable on a more favourable tax basis. Part of each payment is regarded as a "return of capital" and as such is tax-free, while the actual income element in the return attracts a tax liability only if the holder is in a higher tax bracket than standard rate—otherwise all tax is deducted at source. There may be some tax liability at the end of the term.

The problem, as has frequently been pointed out, is that one has to commit money for a fixed term in order to get the benefits. Surrender of the bond in the early years would often result in an overall loss. And quite often the smaller investor is ruled out by the fact that minimum investment sums range between £500 and £1,000.

An area of growing importance is "withdrawal plans." Linked to either equities, property or a mixture of these plus fixed interest, the investor has the choice of income rate—though most groups offering such schemes reckon that the most sensible level is 6 per cent. (which is free of income tax and capital gains tax). The idea is that an income of around this level can be drawn off while growth in the underlying assets should ensure that the investor still ends up with more than he started with. Any rate above 6 per cent. naturally places the certainty of growth or complete return of capital in some jeopardy.

A recent survey by Money Management and Unitholder concluded that at 6 per cent., on performances to date, some capital appreciation could be expected, while at 8 per cent. the amount of the original capital sum should be preserved. Again, smaller investors may be hard pressed to find a suitable scheme since the majority start with a minimum of £1,000 and go as high as £5,000 in some cases.

The great strength of the building societies, of course, is that money is at all times available and anyway current rates of interest are not at all bad. But aside from that, the building societies have been hitting back with their own forms of investment product.

Bristol and West, for example, have Extra Growth Bonds and was the first in this particular field. The Extra Growth Bond is a short-term life contract, backed by two life assurance companies which underwrite the policy. After deduction of expenses the premiums go to Bristol and West which then gives the policyholder (within the 18-50 age bracket) a return of 8.17 per cent. to 7.55 per cent., net of tax. This has particular attractions for the would-be house buyer who wishes to accumulate capital for a deposit, since after the first year there is no penalty for surrender.

More adventurous

A more adventurous scheme from B and W is the Everyman Bond which is a tie up with M and G, the second largest unit trust group. There is the same basic ten-year life asurance policy—backed by M and G (Assurance)—with the premiums going into the society or into M and G units.

Property Growth Assurance and Abbey National have forged a similar link, the difference being that Abbey National Property Growth Bonds are a single premium investment and also that the underlying investments are property. The size of this fund, started 3½ years ago, stands at £6.75m. and over this time policyholders have enjoyed an average annual growth rate of 8.7 per cent.

The building societies run some fairly attractive sc[…] for those who are prepar[…] commit capital for a set p[…] Provincial has High […] Shares, for example, whi[…] ways attract ½ per cent[…] than on Paid-up shares. C[…] committed for two years[…] rates income of 7 per cen[…] or 10 per cent. gross. No[…] Rock Building Society p[…] same for two years and e[…] this to 7¼ per cent. net […] per cent. gross) for a […] year term.

A similar rate to this […] paid by Provincial on its […] lar Share accounts, which […] a minimum monthly inve[…] of £1 up to a maximum […] one withdrawal per an[…] permitted without lo[…] interest.

The building societies […] are not exactly idle w[…] comes to new products, a[…] quite often these more […] ised schemes are not […] promoted. And anyway […] societies regard them […] less as loss-leaders. Th[…] savings race comes dow[…] promotion battle which […] why ground is being […] investments which are […] more prohibitive but wh[…] nevertheless put in the […] eye to great effect.

Predictable interplay in the housing market

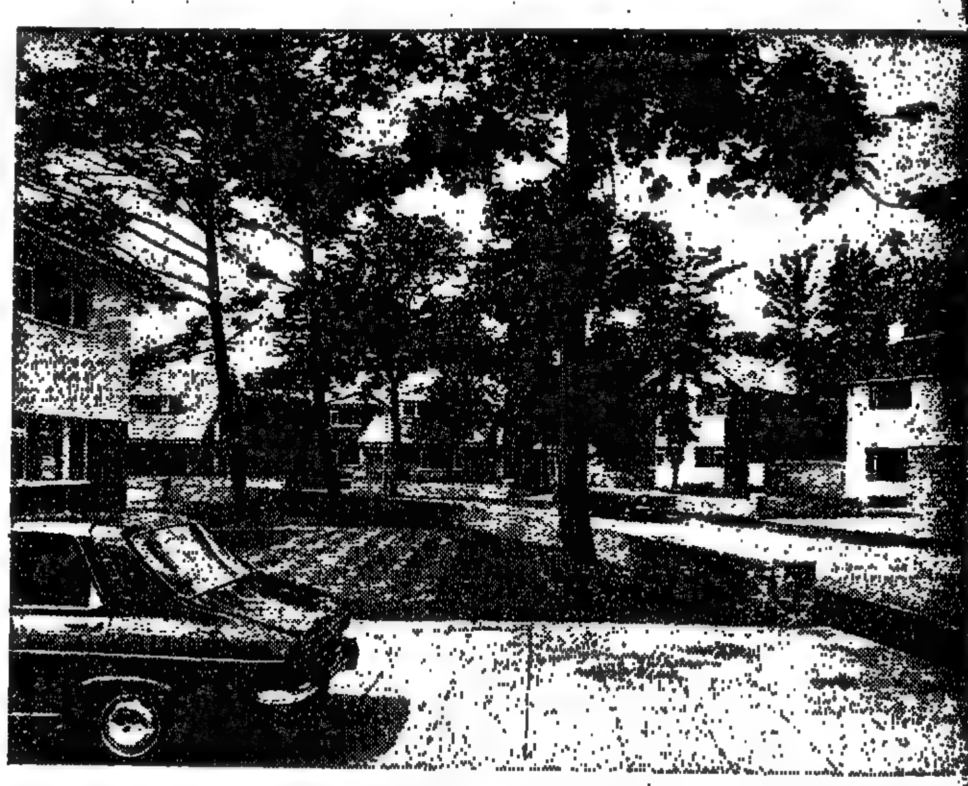
By DAVID WALKER

As cycles go, that in the housing market is perhaps one of the most gloomily predictable of all. Easy finance comes hand in hand with rocketing prices, while a tightening up of funds is accompanied by a drop in the rate of housebuilding. Either way, the would-be purchaser suffers—and the building societies tend to get the blame.

The pattern has held true for a good many years. Taking the more recent past, 1968 and 1969 saw lending by building societies virtually static at just under £1,600m. while house prices rose slowly—by some 7 to 8 per cent.—so that the volume of loans made in real terms fell gradually. As a result, the market for houses was far from buoyant, and the number of dwellings on which private builders started work declined.

In 1970, however, building societies made more than £2,000m. available for borrowers, starting the spiral which remained in being till the earlier part of this year. In 1971, mortgages rose in value by about a third to £2,700m. Last year, an even bigger increase brought the figure to £3,700m. as building society interest rates drew further ahead of those offered elsewhere and the money flowed in only to be lent out again almost as quickly.

The result, of course, is well known, particularly to those who have watched house prices rocket way out of their reach or became involved in auctions and races to complete their purchase before the cost went up still more. Gazumping, even if the practice was not actually invented two years ago, emerged as a new word to describe what became a commonplace event.



New housing, in the three to six bedroom range, at Formby, Lancs[…] Norwest Housing (a member of the Norwest Holst group). Prices ra[…] from £18,000 to £22,000 when the last contract was signed (Novem[…] 1972).

Moved upwards

On average throughout the country, house prices went up by 20 per cent. in 1971, and by 40 per cent. the following year. In some areas, and for the most sought after types of property, prices more than doubled. Not only were mortgages relatively easily obtainable, but the amounts available to each borrower in relation to his income also moved upwards.

House prices, after a period of relative stability when incomes and other prices generally were going up more quickly than charges for housing, at first caught up with the other increases of the previous few years and then moved on ahead.

Inevitably, the housing market was stimulated. The number of new houses on which construction was started reached its highest level for four years in 1971, with a monthly average of 17,300—while work on council housing, meeting the needs of about 50 per cent. of families and with, arguably, a still more important role to play as the cost of owner-occupied housing rocketed, dropped for the fifth year in succession. Last year, the number went up again, to reach a monthly average of 19,000.

But the builders, of course, could not keep pace with demand. For another factor in forcing prices inexorably upwards in times of plentiful money is the gap which must exist between the market's changing and the new homes being actually ready for occupation, and for purchase. It is not just the physical time involved in the actual building; site purchase has to be completed—indeed, suitable sites have to be found and that is not necessarily an easy task, as is given witness by the recurrent pleas of housebuilders last year for the Government and local authorities to release more land—and planning permission obtained.

The inevitable consequence is that supply conditions seldom if ever match demand for very long. When finance is available, the supply of houses is generally tight. As the increase in buying power stimulates the market, building activity rises. But, by the time the dwellings are begun then are actually completed, the money needed to purchase them is not necessarily available any longer.

Thus 1971 and 1972 saw a rise in the nmber of private houses completed too. But it in no way matched the advance in the number of starts with a monthly average of 16,000 dwellings in the first year and 16,400 in the second. Last year's total of just under 200,000 completions remained below the 1968 peak of 220,000. And, though activity in the first half of this year remained at a high level, with an average of 18,500 starts each month in the first three months (when seasonal factors keep the level relatively low) and 20,600 between April and June, it now seems unlikely that that figure will be reached this year or next.

For the pendulum has again swung the other way. Strong competition for investors' money and the general upturn in interest rates have combined to make mortgage funds tight again. At the time of writing, the situation is very fluid with a key decision on possible further interest rate changes maybe coming at the Building Societies Association council meeting on September 14. But there seems little likelihood of any easing of mortgage availability in the near future, unless there is Government intervention.

The rate of housbuilding activity, hit in any case by materials shortages, already appears to have levelle[…] In April, the building a[…] engineering economic c[…] tees' joint forecasting com[…] suggested the tightness o[…] could mean a 17,000 do[…] in the number of private dwellings completed th[…]—and its report was pr[…] before the latest interest movements and a[…]

Continued on next pa[…]

BUILDING SOCIETIES V

Longer perspectives behind the current arguments

By SANDY McLACHLAN

The present moment, with building societies experiencing considerable difficulty in coping with new problems imposed on their traditional role of financing the owner-occupier, seems hardly a propitious one for looking at the debate which surrounds the longer term aims and opportunities of the movement. Nevertheless, although short-term considerations are currently paramount, it is not so long ago that the wider aims of the movement was a subject of considerable comment and this will undoubtedly be the case again in the future.

The fact of the matter is that the building society movement now represents the biggest single concentration of financial assets, outstripping National Savings, the clearing banks, and even the insurance and pension funds. Their rate of growth has been fast, with a buoyant net inflow of funds from investors supplemented by ever increasing repayments on mortgages granted in the past.

Housing finance

It is true to say that the spread of owner-occupation and the rising cost of housing still means that the movement can lend all that it has available to its traditional borrowers, but the question being posed both outside and inside the movement is whether this is the most efficient way of dealing with all its funds. There is no radical suggestion that societies should do other than continue in their traditional role as the primary source of funds for home ownership, or that this should cease to be the major part of their business. It may well be, however, that even a small proportion of their funds—representing a very large sum of money in most contexts—could be devoted to more direct intervention in the housing market, the health of which is anyway dictated by the availability of mortagage finance.

The most widely canvassed ideas are that building societies should help to speed up the process of urban renewal by providing finance, that they should step up their aid to housing societies—which are a sort of home ownership co-operative—and that more building society money should go direct to the housebuilder to encourage him to build more houses and thus contribute towards releasing the pressure of restricted supply on house prices in times of housing boom.

Many of the larger societies do give aid to housing societies, and quite a number will lend to reputable builders. Nevertheless the amounts could be stepped up considerably without making any noticeable dent in the overall supply of mortgage funds. The question of building society participation in urban renewal is probably the most widely discussed, but is the area where least progress has been made.

Given their financial might it is obviously right that building societies should see themselves in a wider role in the housing market than simply that of being a source of funds to one sector. However, their background has always militated in favour of a cautious approach to new projects, and indeed they are working in difficult conditions anyway.

As society managers will always be quick to point out, one of the keystones of the whole concept is the attraction of savings from the investing public. Although the movement has been continually criticised as a poor haven for funds in periods of inflation, the package deal that it offers to savers has been continuously popular. One of the most important aspects of this package is the absolute safety which a building society offers, and the movement would neglect this catchet at its peril.

In real terms the possibility of any substantial society going broke is non-existent, and even on the rare occasions when tiny local societies get into some sort of difficulty there is always a big society standing by to bail out investors. The position would still be exactly the same if a much greater proportion of funds were devoted to new fields of operation, but societies are understandably anxious to be seen to be secure as well as just being secure.

A bigger problem is the highly restrictive law which surrounds building societies and which limits their freedom of action in many respects. The stringent controls on reserves, liquidity and investment policy of building societies were framed in the aftermath of the collapse of the State Building Society, and their stringency is somewhat irrelevant in the context of the present day strength of the movement.

Legal constraints

Given that the building societies have been thrown into much more direct competition with other savings media there is a case for re-writing the law to allow them greater flexibility in the way in which they operate their business. A reduction in reserve requirements could release considerable sums of money and thus take some of the pressure off the mortgage rate, and even a simplification of the law could make easier the process of mergers between building societies which the registrar is anxious to encourage.

At the present moment however the main pre-occupation of most societies is that of adapting themselves to existing conditions, and the results of their efforts in this area may well have an effect on the longer term future.

One problem which becomes increasingly difficult to solve as house prices rise and the cost of mortgages goes up is that of meeting the mortgage requirements of the first-time borrower. He is the key to raising the level of owner-occupation but his needs are more and more difficult to service.

A number of building societies have introduced their own special schemes in an attempt to make life easier for the person buying his own home for the first time. The Alliance was early in the field, and quite recently the Abbey National came up with its plan. At the same time, however, the subject is one which is now being discussed in general terms between the leaders of the building society movement and the Government.

There is a general objection to mortgages which start at a low level of repayment and then accelerate to higher repayment levels in later years. They may be of some help to young couples — particularly professional classes where a rising income trend can be predicted —but because of the extra interest charges involved in the early years when the borrower is repaying less than he would on a normal mortgage the overall cost to the borrower is high.

Nevertheless, priority for the first-time buyer is emerging as a policy with the encouragement of the Government, and the societies have also been under pressure to consider a formal stabilisation fund to even out peaks and troughs in their availability of funds. (The societies themselves still maintain that movements in their liquidity ratios to cope with changing circumstances in fact fulfil this function.)

The common thread running through these various involvements is the level of Government interest in building society policies. Even outside the interest rate debate which has been at the forefront of recent discussions it is clear that at least unofficial Government intervention is here to stay as far as building societies are concerned. This factor may eventually prod them into some new fields while restraining them in others—for example lending on consumer durables.

CONTINUED FROM PREVIOUS PAGE

Housing market

Continued from previous page
worsening of the situation.

The committee's forecast of 210,000 starts this year and again in 1974, which compares with 227,000 in 1972, could, as a result, be over optimistic.

The gleam of hope behind this depressing picture is that house prices are likely to stabilise; indeed, in many areas, they are already, and instances of falls in house values are by no means uncommon.

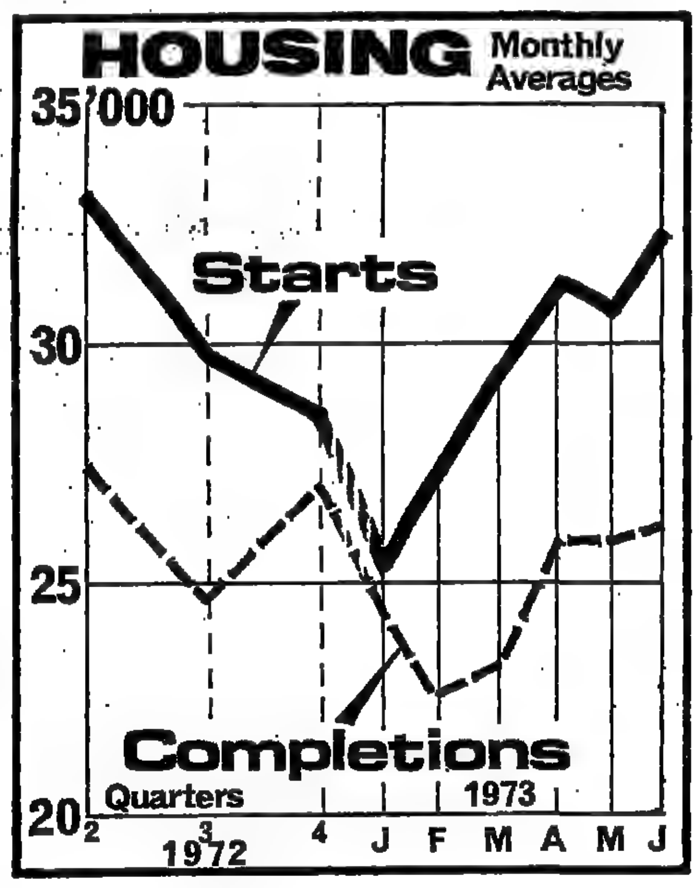
One of the clearest guides to the state of the market is that put out regularly by the Nationwide Building Society, whose last report suggested that the price of new properties had gone up by 8 per cent. in the first half of 1973, a large enough rise in most terms, admittedly, but heartening after the 25 per cent. advance recorded in the July to December perod of 1972 and the increase of nearly 17 per cent. in the first half of that year.

Modern second-hand properties became an average of 10 per cent. dearer in the initial six months of 1973, while older houses cost 7.5 per cent. more at the end of the period than at the beginning, compared with increases of about 18 per cent. for both types of property in the previous six months.

There are important qualifications to the Nationwide figures; foremostly that they reflect only property bought on mortgages. Lots of houses, particularly at the upper price levels—where prices, in fact, appear to continue being on the significantly upward path—change hands without mortgage finance being involved. And the Nationwide figures do, of course, reflect only the business of one society, albeit one of the largest in the country.

The Nationwide statistics are perhaps most interesting for the regional variations they throw up. Scotland and Wales, where the giddy rise in prices suffered by the rest of the country took the longest to begin, have as yet seen little slowdown. In London and the South East generally on the other hand there has already been a virtual slump.

The likelihood now is that this deceleration in the rate of increase will probably continue for at least the remainder of this year. Reports from estate agents of the increasing times for which houses are left on their books and the tangible evidence of the mushrooming of "For Sale" signs in areas where not long ago the familiar estate agent's board was seldom seen, sales could be made so fast, bear witness to the slackening of demand which must keep prices down.



Many intangibles

So much, however, depends on intangibles—on twists in Government policy, general interest rate movements, and the level of confidence in the building industry—as to make long term forecasting at best a hazardous occupation and at worst one which is pointless and downright misleading.

In 1914, only 900,000 dwellings, 10.6 per cent. of the country's total stock, were owner-occupied. To-day, the figure is more than 9.3m. and the proportion fractionally under 50 per cent. The trend is upward and likely to remain so, even if, for many people, even with low-start mortgages and the special help given by some building companies, the prospect of owning a home of one's own is out of the question. With few houses in the London area available for less than £10,000 and building societies unwilling to lend more than two and a half or sometimes three times the prospective borrower's annual income, many people generally regarded as earning reasonable wages do not, at present, stand a hope.

The paradox is that there are actually more dwellings available throughout the country than there are potential households. At the end of 1971, the total number of homes, including flats and maisonettes in Britain, was put at 18.9m., while the number of households was estimated at 18.3m. Something like 1.2m. dwellings are, however, unfit, and another 1.8m. lack such basic amenities as an inside lavatory, a sink, a fixed bath in a bathroom or other essentials. Others are in areas lacking employment prospects —where, in other words, few people wish to live. The thing that is absolutely certain is that the housing stock is nowhere near adequate in the most densely populated regions and, despite the great amount of progress which has been made, shows no signs of becoming so in the near future.

Where there has been something of a success story is in the improvement grants scheme which, despite some exploitation by property speculators—a term often used in a prejorative sense to describe those who, in other contexts, might in many instances be regarded as benefactors providing accommodation and building or restoring much needed dwellings—has done a great deal to bring up to reasonable modern standards houses which would otherwise have been demolished, thus reducing the housing stock still further and helping prices to rise yet faster.

Where the solution to the overall problem lies is difficult to say. The obvious need is to iron out the swings in the availability of mortgages, so that some sort of equilibrium between the supply of finance and the supply of houses can be maintained, preventing prices from rising faster than the increases in the physical cost of building new dwellings as a result of dearer labour and materials.

Government onus

Whether the building societies of themselves could achieve this is doubtful. They would, effectively, have to turn down prospective borrowers or cut their own valuations of property at a time when their inflow of funds was at a high level, a situation likely to lead to even more criticisms of them than they have already been receiving. Frequent interest rate changes could help, so that the societies' competitive position vis-a-vis other financial institutions was maintained at much the same situation could help. But it looks really as though the initiative should come from Government, though there is little sign of that happening, despite the temporary loans to societies earlier this year which kept mortgage rates down temporarily before the move to the 10 per cent. mortgages in August.

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NCHANGA CONSOLIDATED COPPER MINES LIMITED

(Incorporated in the Republic of Zambia)
QUARTERLY REPORT
Estimated Operating and Financial Results

	Quarter Ended 30th June 1973	Quarter Ended 30th June 1972	Year Ended 31st Mar. 1973
Copper Production (Tonnes)	94 939	117 184	440 007
Copper Sales (Tonnes)	181 707	105 345	445 794
Average proceeds per tonne	K1 027	K757	K743
	K Millions	K Millions	K Millions
Sales revenue—all metals	112.6	86.7	363.0
Cost of sales	63.9	59.7	262.4
	48.7	27.0	100.6
Share of profit less losses of associated companies	.3	—	2.1
Interest payable, less receivable	(1.0)	(0.6)	(2.8)
	48.0	26.4	99.9
Taxation	21.3	8.8	22.7
Profit after taxation	26.7	17.6	77.2
Extraordinary item	—	—	6.2
Unappropriated profit brought forward	7.4	4.5	4.5
	34.1	22.1	87.9
APPROPRIATIONS:			
Capital expenditure	11.8	8.0	39.2
Realignment of currencies	—	—	5.2
Preference shares—redemption and dividends	—	—	0.1
Ordinary dividends	11.0	9.0	36.0
Profit retained	11.3	5.1	7.4
	34.1	22.1	87.9

NOTES

1. Finished production and sales of lead and zinc for the quarter ended 30th June, 1973 were 20 228 tonnes and 21 727 tonnes respectively (quarter ended 30th June, 1972 19 580 tonnes and 18 962 tonnes and year ended 31st March, 1973 82 856 and 81 664 tonnes respectively).
2. On 29th August, 1973 K1 was equal to U.S. $1.5556 and U.K. £0.63141 (26th June, 1973 K1=U.K. £0.6038).

Lusaka

30th August, 1973.

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CINEMAS (Contd.)

ODEON, Leicester Square. (930 6111.) Roger Moore as James Bond LIVE AND LET DIE (A). Cont. Progs. 12.40, 3.10, 5.45, 8.25. Feature 1.00, 3.35, 6.10, 8.55. Sun. 3.10, 5.45, 8.25. Feature 3.35, 6.10, 8.55. Late Show Fri. & Sat. 11.15 Royal Circle Seats Bookable.

ODEON, St. Martin's Lane. 836 0691/1811 Barbra Streisand UP THE SANDBOX (AA). Cont. Progs. 2.00, 3.45, 6.00, 8.20. Feature 2.05, 4.20, 6.35, 8.55. Sub. 3.45, 6.00, 8.20. Feature 4.20, 6.35, 8.55. Late Show Sat. 11.35. Last six days.

ODEON, Marble Arch. (723 2011/2.) Laurence Olivier, Michael Caine in Joseph L. Mankiewicz's film of SLEUTH (AA). Sep. Progs. 3.00, 8.00. Sun. 4.00, 8.00. All seats Bookable.

PARAMOUNT, Lower Regent St. 839 6494. THE DAY OF THE JACKAL (A) Progs. 2.15, 5.15, 8.15. Late Show Fri. & Sat 11.15 p.m. Sep. Perfs. All seats bookable.

PRINCE CHARLES, Leic. Sq. 437 8181. LAST TANGO IN PARIS (X). Sep. perfs. dly. (incl. Sun.) 2.45, 6.15, 9.00, 11.45. Box Office Open Daily. All seats bookable.

RIALTO. 437 3488. FIST OF FURY (X). Progs. 1.30, 3.40, 5.55, 8.10.

SCENE 4, Swiss Centre, Leic. Square. 439 4470. THE CANTERBURY TALES (X). Sep. Perfs. dly (inc. Sun.). 12.30, 3.00, 6.15, 9.10, 12.00. Bookable.

STUDIO ONE, Oxford Circus. 437 3300. NOW SEE JAN-MICHAEL VINCENT in Walt Disney's THE WORLD'S GREATEST ATHLETE (U). Progs. 12.15, 2.45, 5.25, 8.00 p.m.

STUDIO TWO, Oxford Circus. 437 3300. THE DISCREET CHARM OF THE BOURGEOISE (AA). Progs. 1.40, 3.50, 6.05, 8.25

UNIVERSAL, Lower Regent St. 930 8944 JESUS CHRIST SUPERSTAR (A). Progs. 2.00, 4.15, 6.30, 8.45. Late show Fri. & Sat. 11.30 p.m. Sep. Perfs. All seats bookable.

WARNER RENDEZVOUS, Leics. Square 439 0791. MALCOLM McDOWELL in Lindsay Anderson's O LUCKY MAN! (X). Sep. perfs. Weekdays 2.00, 5.05, 8.10. Suns. 3.30, 7.30. Late Fri. and Sat. 11.25 p.m. All Bookable.

WARNER WEST END, Leics. Square. 439 0791. Jane Fonda, Donald Sutherland STEELYARD BLUES (X). Progs. 2.05, 4.10, 6.15, 8.25. Late Fri. and Sat. 11.00 p.m.

ART GALLERIES

ROYAL ACADEMY OF ARTS. ULI NIMPTSCH R.A.—Sculptor. Admission 30p (Monday 20p). Students and pensioners half price. Weekdays 10-6. Sundays 12-6.

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AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. MODERN BRITISH DRAWINGS 1900-1973. Until 31st August. Mon.-Fri., 9.30-5.30.

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EVE, Regent Street. 734 5007. Air Cond. Lavish Spectacular "Lib and Let Lib." Em Fee. Cocktail. Dinner. Champagne. Brandy and Coffee £6.95 or à la carte.

REAL ESTATE CORPORATION OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF INTERIM DIVIDEND No. 37

Shareholders will recall that following the acquisition by the Company, with effect from 1st April, 1973, of the issued share capital of Guardian Real Estate Corporation Limited and the issued share capital of and claims on loan account against Cumberland Mansions (Proprietary) Limited, the financial year end of the Company was changed from 31st March to 31st December each year, commencing with the nine month period ending 31st December, 1973. Shareholders were advised that the interim dividend would in future be declared in August, payable in October each year, commencing with the interim dividend due in the 1973 financial period. The final dividend for the nine month period ending 31st December, 1973, and for each financial year thereafter will be declared in February payable in the April following.

ACCORDINGLY

NOTICE IS HEREBY GIVEN that, in respect of the nine month period ending 31st December, 1973, an interim dividend of 12 cents (12 cents) per share has been declared, payable to shareholders registered in the books of the Company at the close of business on 28th September, 1973. The dividend is declared in the currency of the Republic of South Africa and cheques or warrants will be posted from the Registered Office and the London Office on or about 31st October, 1973.

Dividends payable from the London Office will be paid in United Kingdom currency based on the rate of exchange prevailing on 29th October, 1973.

Non-resident shareholders' tax of 15 per cent. will be deducted from dividends due to shareholders whose addresses in the Share Register are outside the Republic of South Africa.

The Transfer Books and Register of Members will be closed from 29th September, 1973, to 7th October, 1973, both days inclusive.

BY ORDER OF THE BOARD.
R. M. EGGLESTON.
London Secretary.
30th August, 1973.

PEPSICO CAPITAL CORPORATION N.V.

NOTICE OF DETERMINATION OF INTEREST RATE

NOTICE IS HEREBY GIVEN that the interest rate on the PepsiCo Capital Corporation N.V. Guaranteed Floating Rate Loan Notes 1980 for the next six months period is 12⅞ per cent. per annum.

The interest rate has been determined in accordance with the terms of the Notes, and The Fiscal Agency Agreement dated as of 16 June 1970, among PepsiCo Capital Corporation N.V., PepsiCo Inc. as Guarantor and Marine Midland Bank—New York as Fiscal Agent.

Marine Midland Bank.
New York.

NU-SWIFT INDUSTRIES LTD.

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be CLOSED from the 14th September, 1973 to the 24th September 1973 both days inclusive.

By Order of the Board
KENNETH WOOD
Secretary.
Nu-Swift Factory, Elland, Yorkshire.
Transfer Office:
Hope, Agar & Co.,
Epworth House,
25-35 City Road,
London, EC1Y 1AR.

CASSA PER IL MEZZOGIORNO
6¼% Guaranteed Bonds 1983

S. G. Warburg & Co. Ltd., announce that the redemption instalment of US$1,875,000 due 1st October, 1973 has been met by purchases in the market to the nominal value of US$194,000 and by a drawing of Bonds to the nominal value of US$1,681,000.

The distinctive numbers of the bonds, drawn in the presence of a Notary Public, are as follows:—

No's 02911 to 05591 both numbers inclusive.

On 1st October, 1973 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street,
London, EC2P 2EB

or with one of the other paying agents named on the bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st October, 1973. Bonds so presented for payment must have attached all coupons maturing subsequent to 1st October, 1973.

30, Gresham Street,
London, EC2P 2EB.
31st August, 1973.

PERSONAL

RICHARD HANNON, horse trainer, announces that he is now accepting orders for the Doncaster yearling sales, September 11th to September 14th. Reply East Everleigh, Wilts. Tel 026 485 254.

INTERNATIONAL EXECUTIVE. Really beautiful and exclusive modern luxury flat in country setting. Only two miles from Edinburgh city centre. 3 Bedrooms. Wonderful views. For Sale Now. Apply Knight Frank & Rutley, Edinburgh Office 8, Charlotte Square, Edinburgh, EH2 4DR Tel. No. 031-225 7105.

EXHIBITIONS

INTERNATIONAL ART TREASURES EXHIBITION. Assembly Rooms Bath. 10.30-6 (Sun. 2.0). Open until 8 Sept.

EDUCATIONAL

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CORPORATION LOANS

GAERPHILLY BONDS
10¼% Min. £3000
Repayable on 30 Sept. 1974
Apply to Treasurer (F) Caerphilly UDC Council Offices, Caerphilly, Glamorgan. CF8 2WX.

CHESHIRE COUNTY COUNCIL
Deposit Loans with Trustee Status

Loans are invited of £100 and upwards subject to 7 days notice by either party with interest at 11% per annum.

Interest is payable quarterly on 30 September, 31 December, 31 March and 30 June. Please make cheque payable to Cheshire County Council and specify whether or not you wish to have the interest paid gross or net of income tax and send it to the County Treasurer, County Hall, Chester (Tel. Chester 24878 Ext. 69.)

Talks on London pa[...] for public services

BY NOEL HOWELL, LABOUR REPORTER

REPRESENTATIVES OF local authority employers are to meet Mr. Maurice Macmillan, the Employment Secretary, on September 12 to urge a review of the whole system of fixing London pay allowances in public services.

The move by the Local Authorities (Conditions of Service) Advisory Board follows a number of claims by public service unions for increased London allowances and a growing number of staff vacancies in the public services in the capital.

Under Phase Two of the Government's pay policy any increase in the London allowance has to count against the £1 plus 4 per cent. limit, though a relaxation of this rule under Phase Three would be welcomed by union leaders.

In their submissions, how[...] the local authority emplo[...] who cover almost 200,000 sta[...] London, including teachers, hall workers and policemen suggesting a thorough examination of the whole sy[...] for fixing London allowance[...]

The last major study of [...] issue was done by the P[...] and Incomes Board in 1967, though no particular bod[...] being suggested for a new r[...] by the local authorities, o[...] the likely bodies could b[...] Pay Board.

The Government establis[...] cost-of-living index for [...] capital as a result of the report, based on housing transport costs. At the me[...] on September 12 the [...] authorities are expecte[...] suggest that this is no l[...] adequate.

BR and drivers end pa[...] working party talks

BY OUR LABOUR REPORTER

TRAIN DRIVERS' leaders and British Rail yesterday agreed to end their long-running working party talks over pay re-structuring and to take the issue to the last formal stage of the industry's negotiating machinery.

An early meeting of the Railways Staff National Council is being arranged with union leaders hoping for an improved offer for drivers.

At yesterday's working party session no improvement in the £5.05 a week proposed re-structuring increases over the next 2½ years was made beyond a written offer of better shift allowances to which the Associated Society of Locomotive Engineers and Firemen has objected on the grounds that it attempts to divide train drivers into three categories.

Throughout the long saga of re-structuring railway pay, which led to token strikes and a work to rule by train drivers earlier this year, ASLEF has insis[...] equal increases for its me[...] to cover unsociable hour[...] extra responsibility th[...] higher speeds.

Yesterday's agreement [...] refer the issue to the national council fo[...] ASLEF's insistence on a[...] to speed up progress in th[...] of considerable pressure [...] its membership. British [...] still awaiting a decision of [...] drivers in Leeds, York [...] Gateshead to accept an [...] executive instruction and [...] their unofficial ban on pa[...] evaluation trials of the high speed diesel.

Any final agreement [...] re-structuring package [...] would cover the absorpt[...] some bonuses into highe[...] rates, as well as the [...] special claim for train dr[...] would have to go to th[...] Board for vetting along [...] similar re-structuring e[...] for other rail grades.

TUC 'out-manoeuvred' in talks with Governm[...]

BY OUR LABOUR STAFF

A CLAIM that talks between the TUC and the Government are "dangerous" because trade union leaders have been "out-thought and out-manoeuvred" is made to-day by Mr. Jim Conway, general secretary of the Amalgamated Union of Engineering Workers.

He accuses the TUC leadership of adopting "militant progressive postures" and says that "loud phrases and theatrical gestures" are not to the taste of trade union members.

Mr. Conway's remarks, published to-day in the September issue of his union's journal underline tensions between Left and Right within the AUEW.

In a long editorial, he deals with many issues which will be discussed at the TUC Congress in Blackpool next week and which have developed during the past nine months he has been absent from his job due to illness.

A Right-winger within his own union, Mr. Conway says the decision to hold talks with the Government was wrong because TUC leaders had been out-manoeuvred—"for without a strong Left-wing caucus, the secret meetings at Chequers and the subsequent Downing Street talks could never have begun."

Mr. Hugh Scanlon, the AUEW's Left-wing president, was withdrawn from the TUC team for the talks by the union's national conference. Moves to end the talks will be led by the AUEW in Blackpool next week.

Mr. Conway also attacks TUC policies on the EEC which he says poses new challenges and problems. It is wrong, he declares, to refuse to re[...] the EEC and then be i[...] in its trade union orga[...] and structure.

He opposes systems of [...] participation involving [...] visory Boards, but ca[...] more worker influenc[...] decisions affecting their [...] standards of work and p[...]

Dealing with internal [...] organisation, Mr. Conwa[...] that "the guise of partia[...] of shop stewards in de[...] making" is an "abrogati[...] leadership" which is [...] democracy but passin[...] buck."

West Scotla[...] seeks Civil Service jobs

By Our Own Correspond[...]
GLASGOW, August [...]

LORD PROVOST Willia[...] told Glasgow Corporatio[...] that he would be me[...] Kenneth Baker, Join[...] mentary Secretary, Civ[...] Department, towards th[...] next month to press [...] of the West of Scotla[...] substantial share of [...] Service jobs being [...] from London.

He said that a detailed [...] of the Hardman report w[...] prepared by the univers[...] Glasgow and Strathcly[...] would be available to hi[...] he told the Minister wh[...] stantial transfer should b[...] to the West of Scotland.

Union man's case agai[...] local officials dismissed

BY OUR OWN CORRESPONDENT

A HAMPSHIRE man who refused to take part in a May Day protest strike against the Government's pay policy in an Alton factory making artificial limbs had his work "blacked" throughout the country by two unions, Southampton Industrial Tribunal was told yesterday.

As a result, 41-year-old Mr. Reg Arthur Crane, of Alton, resigned from the company, Vessa, and settled for a job as a trainee machinist earning about £14 a week less.

He applied to the tribunal for action against four local officials of the two unions—the Furniture, Timber and Allied Trades Union, and the Sheet Metal Workers' Union—to stop the blacking of his work and prevent other disciplinary action against him.

Only organisations

The tribunal yesterday dismissed the case since, said Mr. K. R. Eldin-Taylor, presiding, the tribunal could not hear applications against individuals but only against organisations. The tribunal chairman told Mr. Crane, however, that he was free to make a new application against the two unions involved, and afterwards Mr. Crane said he was putting the matter in the hands of his solicitors and would "take matters further."

Mr. Crane said he belonged to the FTATU and earlier this year his union sent an invitation, not an order, to its members to take part in the nationwide May Day protest strike.

"But the local shop stewards and officials at the works turned it into an order to go on strike," Mr. Crane said. He refused to do so, and the local union officials ordered him to pay the £7.70 wages he had earned [...] day to the union.

Mr. Crane again refused [...] both unions, who work toge[...] in the production of limbs, [...] his work blacked. No u[...] members throughout the cou[...] were allowed to finish li[...] Mr. Crane had worked on [...] even handle his work.

Local union officials also [...] him verbally that he would [...] expelled from the union, [...] he had received nothing [...] writing, he said. "The man[...] ment had to take me off [...] and I resigned," Mr. Crane s[...]

Clash over council's rise

An inter-union row is devel[...] ing over the pay rises above t[...] Government's £1 plus 4 per ce[...] limits awarded by the re[...] councillors of Clay Cross, Der[...] shire, to their 80 manu[...] workers.

The workers yesterday beg[...] a work-to-rule claiming that th[...] National and Local Governme[...] Officers Association had told th[...] council's officers not to pay ou[...] the increases.

Mr. Arthur Hill, shop stewar[...] at Clay Cross of the Nationa[...] Union of Public Employees, which with the General an[...] Municipal Workers Union, repre[...] sents the 80 men, said: "Our [...] action is not directed at the [...] council—who want to pay us the [...] rise. It is because NALGO hav[...] told the officers not to pay it [...] out."

The council's £5 rise, back[...] dated to June 18, amounts to [...] about 15 per cent. above any[...] thing likely to be allowed by [...] the Pay Board.

The Executive's World EDITED BY JOHN TRAFFORD

A Dutch solution to the labour shortage

BY MICHAEL VAN OS

IF YOU face an acute labour shortage, it is management's job to find new solutions to the problem when traditional methods have failed. That, at least, is the reaction of a number of companies in the Zaan region of the Netherlands, just north of Amsterdam—and it has led to some unusual experiments.

The latest involves the twelve largest companies in the region, big names like Albert Heijn (the supermarket chain based in Zaandam), Scholten-Honig and Wessanen (two big foodstuffs group) and the Bruynzeel woodworking company.

All of them have faced a shortage of office and administrative staff which the national employment agencies have been unable to solve.

One possible approach, the twelve decided, was to try and tap the very wasteful temps/part-time personnel market. These people are normally employed by the agencies which do not allow them to take up permanent employment with the companies to which they are assigned.

Shoppers at an Albert Heijn supermarket. The company is pioneering a new approach to staff recruitment.

The companies decided to set up their own foundation—the Personnel Service Foundation of the Zaan District—which would differ from the agencies in that it would permit the staff it recruited to terminate their contracts and stay on permanently with the company where they were working. In this way, the companies hope to get a lot of women back to work.

The Foundation is to start work at the beginning of September. It has acquired a small employment agency in Zaandam.

Besides the twelve companies, the local labour office and the local chamber of commerce are members of the foundation. A massive publicity campaign is planned, aimed particularly at women.

As might be expected, the Foundation has been opposed by the big employment agencies who, operating basically on the same lines, fear losing a substantial part of their market in the region.

Foundation Secretary J. G. van der Sluis—who also works full-time for Bruynzeel—stresses that the Foundation should eventually pay for itself. "But it was not set up to make profits, unlike other organisations," he adds. The Foundation is expected to undercut the traditional employment agencies by 20-25 per cent., although this has never been officially confirmed.

The starting capital of Fl.100,000 was put up by the participating companies as a two-year interest-free loan plus contributions calculated from the anticipated use of the agency's services and the size of the company. The loan will be repaid in small extra fees charged for services rendered.

The Foundation is expected to work closely with another interesting organisation set up by 11 engineering companies which together employ some 1,400 people. All the companies are located in the province of North Holland, of which Zaan is a part.

The companies co-operate in recruiting skilled and unskilled labour and in sharing work when the need arises. The shortage of blue collar workers is more serious than the clerical/secretarial shortage and joint recruitment is consequently very important.

But perhaps more interesting is the method of sharing production work. The idea is to pass work from one company which is fully stretched to another which has workers and machines standing idle.

By working together, the companies have solved the problem of matching fixed labour forces and fluctuating order books against a background of serious labour shortages.

The work-sharing system involves the use of a "machine book" which carries a daily schedule of machine utilisations company by company plus details of the types of skilled and unskilled people they employ. Any member company can consult the book to see if another company can spare any volunteer workers to help out or, alternatively, whether a company can take over part or the whole of a particular order.

Foundation Secretary van der Sluis says that although the work-sharing system is very interesting, it is not suitable for the large companies participating in the Foundation whose activities depend mainly on office and administrative staff. Apart from the human problems involved in moving people around even on a voluntary basis, the various collective labour agreements would pose difficulties. All staff changes need the backing of all parties involved, including staff councils and the trade unions.

Mr. van der Sluis says that during 18 month's preparation, the trade unions have been fully briefed about the progress and regrets that they turned down an invitation to appoint representatives to the Board of the foundation. He says the unions do not want to be in a position of employers — although they approve of the Foundation's aims. "There fortunately are signs, however, that there may be a change of heart over the representation issue as far as the unions are concerned."

The Foundation is examining the question of extending its services to skilled and unskilled workers in small engineering and transport companies.

The employment problem, present all over the Netherlands, is accentuated in the Zaal region where efforts to modernise and rebuild old industry are hampered by staff shortages. The Government is thinking of reducing the number of foreign unskilled workers flowing into the country, which will exacerbate the situation.

In addition to the problem of local workers' reluctance to take on low-grade work, there is the problem that recruitment campaigns in the east of the country with its ailing textile industry have met very little success. Workers do not like to move from that area to the crowded and industrialised western part of the Netherlands.

CORPORATE FINANCE

The free cash flow model

BY JOEL STERN

ALTHOUGH many things can affect ordinary share prices temporarily, 90 per cent. of share values in the world's most sophisticated stock markets is determined by six factors alone.

A valuable financial model can be derived from these six factors. Corporate planners, for instance, can use it to calculate the maximum price their company can pay for an acquisition without shortchanging their shareholders. Security analysts can work out the intrinsic value of a company.

The model focuses attention on a company's future cash flow available to all debt and equity holders after providing for new investment (both fixed and working capital). Since this cash flow is free of the capital needs of the firm we refer to it as Free Cash Flow.

Free Cash Flow (FCF) is important because investors place considerable emphasis on it, not profits, in calculating share prices. That is, investors do not discount expected future profits *per se* in arriving at a share price. Two companies with identical expected future profits will command different share prices, because one requires less new capital to achieve a given rate of profits growth. In fact, the market discounts FCF—expected profits minus anticipated new capital investment—in calculating share price. The firm with the greater expected future FCF commands the higher price.

Four factors

The magnitude of future FCF is determined by four of the six factors that systematically affect share price:

1—NOPAT: Expected future annual net operating profit after taxes (profits before financing costs but after providing for income-taxes);

2—I: Expected future annual amount of net new capital investment that will be required to produce NOPAT (capital expenditures minus depreciation and other non-cash expenses plus incremental working capital);

3—r: After-tax rate of return that is expected to be earned on net new investment (I); and

4—T: The time horizon during which (r) is expected to exceed the company's weighted average cost of debt and equity capital.

Current FCF is equal to current net operating profit after taxes (NOPAT) minus the current year's new capital investment (I). Future FCF is equal to future NOPAT minus future I. Future NOPAT itself is determined by new capital investment (I) multiplied by the expected rate of return (r) plus current NOPAT. (This assumes that the return on existing capital is not going to change in the future—an assumption which, perhaps surprisingly, is perfectly sound).

Since FCF is equal to NOPAT minus I, FCF's growth rate depends on the growth rates in NOPAT and I. NOPAT's growth rate is equal to r multiplied by the investment rate, which is the per cent. of the current year's NOPAT that is invested in new projects or I divided by NOPAT. For example, if r is 15 per cent., NOPAT is £100,000 and I is £80,000 annually, NOPAT would be expected to increase 12 per cent. annually.

For most companies, a close relationship exists between the total capital (plant plus working capital) and sales. For example, paper manufacturers generally require a £ of capital to generate a £ of sales. However, the relationship between capital and sales is usually closer for individual product lines than for the company as a whole.

Thus, if the proportion of a firm's capital allocated annually to various product lines is relatively stable there is likely to be a close relationship between capital and sales and new capital investment (I) and incremental sales. If this is true, and if a company's expected rate of return on sales (NOPAT divided by sales) is also stable, NOPAT and I will be expected to increase at approximately the same annual rate. And if NOPAT and I grow at identical rates, NOPAT minus I — FCF — will grow at this same rate. Consequently, for many companies, the market will expect sales, NOPAT, I and FCF to have identical rates of growth.

The model

After the expected future Free Cash Flows are projected, the estimated present value of the company's total capitalisation (debt and equity) is obtained by discounting the Free Cash Flows at the company's present weighted average cost of capital. Thus, the Free Cash Flow Model initially provides an estimate of the fair market value of the debt and equity capital combined. To obtain the equity value alone, the current level of debt employed is subtracted from the total fair market value.

The weighted average cost of capital utilised to discount the expected future Free Cash Flows depends on the two remaining determinants of share prices:

5—c: The cost of capital for business risk, which is the firm's cost of capital if it is debt-free; and

6—tD: The capitalised tax saving for interest-bearing debt, the result of the tax deductibility of interest expense, which is equal to the corporate tax rate (t) multiplied by the amount of interest-bearing debt (D) in management's target financial structure.

Because of the composition and form of the Model, the FCF framework provides three significant advantages to investment analysts and corporate managers that are absent in traditional tools.

Investment

First, the Model separates corporate investment decisions from financing policy. Because NOPAT is equal to profits before financing costs, I is total net new capital investment financed by debt and/or equity, and r is the expected rate of return on total net new investment, FCF is unaffected by gearing. Poor quality projects do not appear attractive because of the way they are financed. Gearing is, however, an important determinant of market price because it affects the discount rate. Prudent increases in debt reduce the discount rate and, hence, increase the NPV of the FCF and hence current share price.

Second, the corporate planner or analyst can test the sensitivity of his assumptions about the firm's risk and the expected profitability by varying one or more of the six factors that affect the share price.

Third, and perhaps most important, because the parameters in the model are the primary determinants of share price, the user can simulate the impact of decisions on the firm's share price before decisions are implemented.

More than 100 companies are now using the model in one way or another. Burmah Oil employed it in its defence against dissident shareholders earlier this year. In the U.S., Quaker Oats and R. J. Reynolds, to name just two, use it to screen acquisitions. It was the technique used to price AmTrol when the company went public.

The author is a vice-president of the Chase Manhattan Bank. An article on the FCF Model will shortly be appearing in the new Pergamon Press journal, Omega, under the title "Earnings per share is a poor indicator of performance.

Management ideas from abroad

These summaries are condensed from the abstracting journals published by Anbar Management Services. Readers wishing to consult original texts should write to P.O. Box 23, Wembley, HA9 8DJ (telex 935779) or to the individual magazines.

THE T's AND I's OF FLEXIBLE WORKING HOURS

W. H. I. Hege in Rationelles Büro+EDV (Federal Republic of Germany), April 1973: pages 41 (2½ pages illustrated, table; in German, English version available).

This article relates how flexible working hours have worked in practice for Kravag, a Hamburg insurance company that introduced them for its 400 employees early in 1970. The paper is not concerned with the basics of FWHs, which everybody is now expected to be familiar with; it takes the superiority of the approach for granted. It deals with the fringe problems that arise, and provides the answers Kravag worked out to solve them, for example, unavoidable absence during core time (for which an upper limit has been laid down which must not, however, be utilised for late arrival): overtime, in which connection time clocks are said to score over meters); time allowances for business trips, other allowances.

SOME OBSERVATIONS ON THE CONTINUATION OF A FIRM

R. C. Rea in The Journal of Accountancy (U.S.), March, 1973: p. 40 (6½ pages, chart).

Traces the main reasons why local CPA firms are forced to merge with national firms: (1) a tendency for the senior partners to concentrate on clocking up chargeable time at the expense of time that should be spent on management and planning for the future of the firm, (2) the failure of the founding partner to train a successor, (3) unrealistic retirement programmes which place an undue financial burden on the remaining partners.

Illustrates these weaknesses with examples, suggests how they can be overcome, and points to the valuable role that the older partner can play in administration, staff training and giving management advice to clients.

HUMAN MANAGEMENT IN A MECHANISED OFFICE

G. L. Hershey in Administrative Management (U.S.), Apr. 73; p. 81 (3 pages)

Examines the scope for increased efficiency in general office operations, warns against the indiscriminate introduction of "efficiency" techniques similar to those applied to manufacturing processes, and discusses the managerial implications of job design, motivation, training/development, and merit rating for office personnel.

STANDARD COST SYSTEMS: AN ARGUMENT FOR PARTIAL ABANDONMENT

C. A. Burrows in The Chartered Accountant in Australia (Australia), April, 1973: p. 11 (4½ pages, tables).

Argues that standard cost systems are intended to achieve two objectives, inventory valuation and cost control, but do not achieve the latter because of the arbitrary nature of shared service allocations, and the inclusion of prior-period sunk costs. Maintains that capacity variances do not measure the effects of under-utilisation of capacity, which can be better achieved outside the book-keeping system, and may be harmful because they present as a cost something which is not in the accepted sense.

FRANCHISING REVISITED

H. Hartley and D. L. Lofranco in Canadian Chartered Accountant (Canada), April, 1973: p. 46 (5 pages, tables).

Outlines the nature of franchising operations, and traces their growth in North America; notes that the AICPA are due to issue a position paper on the treatment of franchising fee revenue, and suggests that gross revenue figures should distinguish between revenue from the operation of the outlets, from the sale of franchises and from property rentals, and that, wherever possible, costs should be matched against these segregated revenue items; offers some general criteria for determining the initial recognition of income from the sale of franchises.

A NEW APPROACH TO HIGH-LEVEL MEETINGS

K. H. Rüssmann in Manager Magazin (Federal Republic of Germany), April, 1973: pages 60 (3 pages, illustrated in German, English version available).

A reportage of the 1973 manager meeting of Siemens, the German electrical group, which sought new ways of communication. Instead of lectures and addresses, the 1,000-odd managers partook in a display of facts and figures on 8,000 square feet of exhibition space, and engaged in discussion on the subjects of individual exhibits. A closing session in a sports stadium *appears* to have been the only formal event. Great success is claimed for this experiment.

COMING TO GRIPS WITH ABSENTEEISM

P. Froidevaux in European Business (France), spring, 1973: p. 26 (8 pages).

Reports a study in a large French heavy manufacturing company (Berliet), which related the degree of, and reasons for, absenteeism to internal and external factors in an attempt to identify differences between "official" and "secret" motives. Describes factors over which the company can exert control—for example, working environment, remuneration, job structuring—in an approach to absenteeism reduction.

MANAGEMENT PRACTICE IN THE COMPUTER ENVIRONMENT

F. E. Moan in Academy of Management Journal (U.S.), March 1973: page 7 (16½ pages, charts, diags., tables).

To determine the extent to which the introduction of computers for inventory control in five large U.S. companies has resulted in organisational change, examines the decision-making systems in operation, and explores reasons why some companies changed their systems and others did not. Finds, generally, that where top management understands and has confidence in modern management techniques, there is evidence of organisational change, greater control and clear delegation of authority; expands the conclusion to argue that management should re-evaluate the use of computers.

STANDARDS OF DISCLOSURE FOR SUPPLEMENTARY DATA

I. N. Gleim in The Journal of Accountancy (U.S.), April, 1973: pages 50 (7½ pages, tables).

Suggests that supplementary data on annual reports ought to be brought into line with what financial analysts expect to receive, and proposes that for each type of industry standards for supplementary items of information should be developed to cover (1) price data, (2) physical units data about sales, production and the factors of production; envisages this information being covered by the audit report.

Addresses:—
Rationelles Buro, 5100 Aachen, Postfach 1505, Fed. Rep. of Germany.
The Journal of Accountancy, 666 5th Avenue, New York, NY 10019.
Administration Management, 51 Madison Avenue, New York, NY 10010.
The Chartered Accountant in Australia, Box 3921, GPO, Sydney 2001, Australia.
Canadian Chartered Accountant, 250 Bloor Street East, Toronto 285, Ontario, Canada.
Manager Magazin, 2000 Hamburg 11, Alter Fischmarkt 11, Germany.
European Business, 25 Boulevard Raspail, Paris 7, France.
Academy of Management Journal, Dept. of Management, Bowling Green State University, Bowling Green, Ohio, 43402.

Management News

London Business School's Small Conference Centre at its Regent's Park headquarters in London is now open and can be hired by companies and conference organisers. It is suitable for groups of up to 40 and comprises a lecture theatre, one large seminar room and five smaller rooms.

The Schools' facilities—library, audio-visual aids, accommodation and catering—are available to those who hire the conference centre. The centre can be booked throughout the year, in contrast to the main part of the school which is only available out of term time. Already the centre is about 60 per cent. booked for the next six months with Unilever showing particular interest.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)
Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
FOR SHARE INDEX AND BUSINESS NEWS SUMMARY RING: 01-246 8026

Birmingham: George House, George Road 021-454 0922
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Bonn: Pressehaus 11/104, Heussallee 2-10 225596
Frankfurt: 6 Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 120037
Rome: Via della Mercede 55 .... 678 3314
New York: 90 Wall Street, NY 10005 Editorial—212 944 5258 Circulation—212 972 9883 Advertising—212 MU8 7550
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 285 Ont. & Charles St. E. 416 921 5575
Jo'burg: 311 Sanlam Buildings, Commissioner Street P.O. Box 2128 838-7009
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FRIDAY AUGUST 31 1973

Astonishing gaps

THE GOVERNMENT'S economic policy is mistrusted in financial markets, and widely criticised by politicians and in the Press; but, as we learn to-day, it is supported almost without reserve by the National Institute for Economic and Social Research. This news, one might suppose, might hearten the Government and reassure some of its critics. In fact, it should do neither, for the Institute's analysis shows astonishing gaps. The disturbing possibility—and it has not been contradicted in any recent Ministerial speech—is that the Government suffers from the same blind spots.

The omissions

It takes no very sophisticated eye to detect the gaps. Any copy of any evening newspaper is full of two symptoms of economic disorder: editorial columns bewailing ever higher interest rates, advertisements of situations vacant which show a desperately tight and inflationary labour market. The National Institute dismisses monetary issues in a single, complacent sentence, and does not discuss the strain in the labour market at all.

These omissions do matter. The Government's critics argue that both the domestic necessity for high interest rates and the state of the labour market are symptoms of fiscal reflationary overkill, leading to excessive demand. The excessive demand created by the Government's deficit is reflected both in the balance of payments and the state of the labour market: the attempt to correct it through borrowing alone is driving up interest rates.

So far as this case is answered in the new Review, it is done in terms which the Government might find embarrassingly candid. Roughly, the National Institute argues not only that a strong boost to demand was required last year to get the economy moving, but that the huge resultant deterioration in the balance of payments was in itself a good thing. It was necessary in order to secure a depreciation of the pound which would in turn ensure export-led growth in future. We now have a suitably undervalued currency, demand is slowing down, so all is well.

The argument that it was necessary to over-heat the economy in order to secure a necessary adjustment in the exchange rate has enough validity to raise some very interesting questions about the criteria for adjustment; it does appear that the lack of a sound measure of "fundamental equilibrium" (which must mean full-employment equilibrium) leads to some very unhappy results. But even a policy which meets such strange necessities can be overdone.

Even in the National Institute's own terms, the scale of the reflation and of the Government's deficit are not justified. Had the fiscal stimulus been right in scale and in timing, then we would not now be faced with the necessity to strain the financial markets; for in Keynesian terms the Government's deficit would simply offset the excessive savings of the private sector. Nor would the labour market be overstrained. These topics are evaded because their implications are so awkward.

Realism needed

They are awkward, too, when it comes to the future—the bland assumption that the balance of payments will cure itself if only commodity prices level out, and that the big problem now is to devise a suitable formula for Stage Three of the anti-inflation policy (and here the National Institute is talking straight Ministerial language). But a cure for the balance of payments requires that domestic demand should rise less than output; an incomes policy can only be imposed in an orderly labour market.

These problems cannot be evaded by assertions that demand is slowing down "of its own accord" (the result, in fact, of the rise in import prices which it is hoped will be reversed), or by accepting the unemployment figures at face value. It is realism, not optimism, which will reassure the Government's critics—an admission that labour is short, that there is a domestic necessity for high interest rates, and a declared determination to achiev a better balance between fiscal and monetary policy, and a more moderate pressure on resources.

Only a moderate growl

THE EFFORT to ensure that the Government gets value for the large amounts spent on defence projects involving advanced technology is essentially a compromise between the demands of the Services for the best possible equipment in the shortest possible time and the Treasury's proper insistence on economy. Experience has made it easier to avoid the more obvious traps and to elaborate more effective systems of control, but most advanced projects have to be treated on their merits and there are no rules of thumb. The cases discussed in the latest report of the Committee of Public Accounts, each of which has special features, provoke not so much a prolonged bark of protest as a moderate growl.

The Committee is more concerned with the principles of control which these cases illustrate than with the cases themselves. The first is the procedure—now extended from ships and aircraft to missiles—under which the Government appoints a prime contractor where practicable to be responsible for as much of a particular project as possible, including the work of sub-contractors.

Sub-contractors

Troubles, officially described as teething troubles, there have certainly been. Apart from serious escalation of costs, the appointment of prime contractors has not always avoided the need for the Ministry to intervene when trouble with sub-contractors arises. The committee recommends that the use of these arrangements should "be approached with circumspection." The main need, on the evidence, is to ensure that the prime contractor chosen is capable of controlling his sub-contractors.

The second principle discussed is that of incentive payments which, preferable to cost-plus arrangements as they are, become possible only when agreement is reached on a detailed specification: this, in an advanced project, may be at a very late stage. The formula arranged in the case investigated by the Committee is agreed to have been less than perfect; but it is said to have been the best possible and thus was, in fact, the first incentive arrangement negotiated in the field of guided weapons. The Committee recommends no more than that incentive arrangements should be sharp and realistic and that the Ministry should review their existing procedures as soon as sufficient evidence has accumulated. It it worth noting that actual costs under any incentive arrangement cannot be compared with what they might have been under a cost-plus arrangement and that contractors are normally anxious to move on from the development to the more profitable production stage as quickly as possible.

The two other general questions considered by the Committee are the use of penalties for late delivery and delays in the pricing of cost-plus contracts, some of which have in the past been undoubtedly excessive. The former provokes a demand that the Ministry should develop stronger contractual arrangements rather than rely on the incentive which a contractor has in any fixed-price contract to deliver on time. The latter elicits actual congratulations on the steps which the Ministry has already taken to reduce delays due to the faulty accounting procedures of contractors, notably through the withholding of certain payments until adequate cost statements have been submitted. The growl, though moderate on this occasion, is a useful reminder to everyone concerned in an expensive business that the public watchdog remains on duty.

John Elliott assesses Vic Feather's track record as TUC general secretary and the problems he hands on to his successor Len Murray

Hand-over at the TUC

Vic Feather with the General Council reports covering his 37 years at the TUC

FEW MEN in top jobs are lucky enough to time their retirement with enough freedom to ensure that they have achieved their life's aims and ambitions. Mr. Vic Feather, who ends his 4½-year stint as TUC general secretary when the annual Trades Union Congress closes in Blackpool at the end of next week, is no exception.

He joined the TUC as an assistant in its organisation department 37 years ago and achieved his primary ambition in 1969 when George Woodcock retired a few months early as TUC general secretary to become chairman of the Labour Government's Commission on Industrial Relations. Dubbed then a "man in a hurry" in view of the short time available to him before retirement, Feather deserves considerable sympathy because most major issues which faced him when he took office still remain unsolved. His detractors will say he is largely responsible for this lack of progress.

But circumstances—such as the emergence of the powerful Left-wing group on the TUC general council personified by Jack Jones and Hugh Scanlon, and the election of a determined Conservative Government—did not make life easy for him. Nevertheless, historians are unlikely to use about him the words used by Barbara Castle four years ago when the TUC and Parliamentary Labour Party had killed off her "In Place of Strife" labour law plans. Feather, she said, was "potentially one of the greatest general secretaries of the trade union movement." It is just as well that his successor, 51-year-old Lionel (Len to his colleagues) Murray, has more time to make his mark.

Looking back over Feather's four years, it is clear that the problems of the relationship between individual trade unions and the TUC, and of the relationship between the TUC and both the Labour Party and the Government of the day, have been little advanced. The issue of what type of labour laws and wages policies should exist—and the role of the TUC in operating any voluntary machinery—is as open as it was. The power of the TUC to affect Government policies has been firmly established, but only in a negative way, because the TUC general council will not—at least under the present Administration—shoulder the responsibility of becoming identified with Government policies.

On the international front, the TUC is still boycotting the Common Market, although a new European Trades Union Confederation has been formed (with Feather as its founding president and Jack Jones as an executive Board member) and new relationships have started to develop with Eastern Europe.

Feather would probably have liked to have retired having negotiated a new Industrial Relations Act, with the Government restoring traditional freedoms and including a wide measure of "industrial democracy." He would also have liked to have come to terms with the Government on a counter-inflation policy, to have taken the unions fully into Europe despite opposition to the terms of U.K. entry, and to have enlarged the TUC's influence and prestige with a country-wide voluntary conciliation and arbitration service and effective TUC committees covering all major industries.

But never in his life has he had the time to work out an overall philosophy and strategy for the future. Throughout his TUC career he has been a behind-the-scenes operator and fixer, using skills which helped him to orchestrate much of the opposition which defeated Labour's In Place of Strife plans, and to organise (with unexpected help like the jailing of the Pentonville Five) an amazingly effective de-registration policy under the Conservatives' Industrial Relations Act.

His main place in the history books will almost certainly be his successful battles against these measures. It must be said that these are rather negative—even if substantial—victories with which to end a lifetime's devoted work in the Labour movement.

Feather's skills also helped him to guide the unions back to Downing Street and keep them there for the present round of talks. In fact, the only moment in Feather's life when he has really been at a total loss was probably when, with shock and disbelief, he was faced in 1970 by a Conservative Government which was more interested in pursuing its Industrial Relations Act and its deflationary wages strategy than in doing deals with union leaders.

With hindsight, senior Tory Ministers might now concede that they could have done things differently, in a more conciliatory fashion. Feather's detractors however would argue that he wished the problem on himself by defeating the Labour Government over "In Place of Strife." A "Woodcock," the argument goes, would have fudged the issue over the Labour Government's plans, so saving a confrontation which, while leading to a TUC victory, also contributed heavily to Labour's subsequent general election defeat.

Mr. Len Murray

This argument highlights the continuing problem of the proper relationship between the TUC and the Labour Party—which the unions founded, finance and dominate — and between the TUC and Government. Woodcock zealously guarded the TUC's formal political impartiality and so helped ease the way for non-aligned unions such as the local government officers and teachers to affiliate to the TUC. Feather has been far less cautious, and even attended a rally at the Labour Party annual conference shortly after taking office.

The TUC is also engaged in formulating new policies for the next Labour Government and has therefore enjoyed the "double" of dealing in Downing Street with the Conservative Government while at the same time organising alternative Labour Party policies. These Labour policies are aimed at ending Conservative rule by enabling Labour to electioneer claiming it has sorted out the economic and industrial answers which the country needs and which the unions will accept. This is intended to prevent a repetition of the In Place of Strife row but in fact has led to the formulation of a counter-inflation policy which ignores any form of wage restraint and which is not even taken seriously by some of those who drafted it.

What is really needed is a continuing TUC relationship and dialogue with Whitehall and Downing Street, whichever Government is in power, with individual unions being left to succour—or otherwise—the Labour Party. A direct TUC relationship with the Labour Party can only help to upset a continuing Downing Street relationship as the general election cycle makes union leaders remember their Labour roots.

However, few union leaders want to return to the position early in the lifetime of this Government when the TUC staged protest rallies in the Albert Hall and Trafalgar Square instead of a dialogue in Downing Street. Feather was partially blamed for leading the unions out of the corridors of power at this time and for turning the TUC's Congress House headquarters into "Demonstration House." But, as a day-to-day infighter, Feather was merely reacting to the present Government's determination to pursue its own policies. Feather is now given considerable credit by some senior Ministers for having guided the TUC back into talks with the Prime Minister, when the political climate was ripe, and for maintaining the talks.

When it comes to reforming the structure of the TUC, Feather is proud of the industrial committees set up under the TUC umbrella for industries such as steel and building. While the one-union-for-every industry ideal is not practical in the foreseeable future, these committees are helping to rationalise and improve union operations, as well as giving the TUC an industrial role, and could well help to initiate logical union mergers within industries.

It is the development of this type of work, along with the moves to encourage industrial relations reform which the TUC initiated after the Labour Government's Donovan Royal Commission report, that the TUC has had to ignore in the past three years. This was because of its prior involvement in either fighting or talking to the present Government.

Len Murray will now be building on the work of his predecessors aiming maybe at the TUC operating its own wages and industrial disputes procedures. But such developments depend on the willingness of individual unions to hand over some of their autonomy to the TUC, which in turn de[pends] partly on the politics a[nd re]lationships of major figures like Murray, Jone[s,] Scanlon, and partly on w[hether] the broad mass of union l[eaders] feel identified with TUC [poli]cies.

Feather, with his Yor[kshire] personality, has done m[uch to] publicise the TUC an[d the] union movement. Neve[r at a loss] for a word, his catch-p[hrases] have illuminated the serious meetings and while his ability to [answer] questions was well d[emon]strated when he was once on an early Sunday e[vening] television programme w[hether] he believed in God. "I a[m sure] that if Jesus Christ was born to-day that he wou[ld be] a carpenter and that he [would] be a good and loyal m[ember] of the Woodworkers' U[nion]," replied Feather.

Cast more in the Woo[dcock] mould but visibly over th[e past] year or so trying to ado[pt] Feather bonhomie, Mu[rray's] initial problems are: fir[st, the] TUC's relationship with [the] present Government as current Downing Street Chequers talks move to their climax and Phase [Three] begins; and second, the rel[ation]ship with the Labour Pa[rty as] an approaching general el[ection] raises the possibility [of a] change of Government.

There is of course no guarantee that the next administration and the [unions] will not fall out again—Murray adopts a very [different] stance from Feather. [His] personal influence as secretary must be open [to ques]tion because he faces the [danger] of being overshadowed by [Jones] and Hugh Scanlon—alt[hough] the personal antipathy be[tween] these two will divide [their] forces.

These then are some o[f the] challenges facing Murray [as he] takes over from Feather. [Like] his predecessors, he has [the] difficult job of inching [the] TUC forwards while const[antly] reacting to conflicting pol[itical] pressures emanating from shop floor, political pa[rties,] union leaders and Go[vern]ments.

MEN AND MATTERS

Trident's seaside showman

James Hanson, wearing his Trident Television hat, has never made any secret of his ambition to get into other leisure activities. In spite of his recent experiences with take-overs at Hanson Trust (the abortive bid for Costain and the attempted merger with Bowater), he has generally been thought to favour a large scale deal. So why should he now be taking a 65 per cent. stake, valued at a mere £375,000 in the privately owned Don Robinson (Holdings) of Scarborough?

One point is, of course, the state of the Stock Market and Trident shares, near their low for the year yesterday at 43p. But, says Ward Thomas, Trident managing director, it is also a matter of buying an individual. "I hope," he says of 37-year-old Don Robinson, "that we have got hold of a present day Billy Butlin."

Robinson, in fact, started in the classic showman's manner, on the beach at Scarborough. His idea, fairly novel when he began 12 years ago, was beach trampolines: at the time he was a PE teacher at a local school, playing Rugby League at the week-ends for Hull Kingston Rovers, and active enough to enjoy trampolines himself. So, with the help of a local engineer, he designed his own, and set them up on Scarborough beach.

Within two years he was able to give up teaching and went into wrestling promotion, both in the U.K. and on the Continent. Then six years ago he took a lease from Scarborough Corporation on some tennis courts, and turned them into a zoo. From the dolphinarium he opened there, he has gone on to run two more, one for the Chipperfield Organisation at the Safari Park near Stirling, and another at Montreal in Canada.

For the past two years, he has also been managing director for the leisure division at Scotia Investments, running Flamingo Park in Yorkshire and the Dudley Zoo. It was not entirely clear yesterday what would happen to his job there: but it has given him some experience of working for a public company, which will, presumably, be helpful at Trident. And, having financed all his development internally in the past, he is now looking forward to the backing he will get from a cash-rich television concern. The first new project is a 380 feet lookout tower at Margate, "the first of its kind," he says, like a true showman, "in Europe."

Cudlipp, reporting again

Sir Hugh Cudlipp must have had one of the longest auditions in history. For the past 16 years he has been a director of ATV, sitting across the table from Sir Lew Grade, the chairman. Now Sir Lew has persuaded Cudlipp to sign on for a series of programmes when he retires as chairman of IPC at the end of the year.

Cudlipp is no stranger to television, although directors of TV companies are not encouraged by ITV to appear on the screen. This is a ruling which Cudlipp has challenged successfully in the past. But he has always been, as he puts it, "in the dock" rather than a performer.

His experience in these encounters seems to have coloured his thinking, since he said last night that he was "against violence on the TV screen, and that includes the treatment of public figures who are too often pilloried in the dock as if they were assassins." His programmes are expected to include two documentaries and a six-part series with "famous people who have not been seen before. I would like," he adds, "to run programmes in which the people appearing could still get a word in."

It will be interesting to see how closely a compulsive talker can approach that ideal. But he is apparently treating the challenge seriously, since he intends to polish up his technique at the TV studios this winter. "I am really," says the 60-year-old Cudlipp, "beginning life again as a reporter. And I am still a good reporter."

Pi-eyed

How do you measure the area of a triangle? Quick now, there's no trick to it. Just a simple sum that you used to do ten times a day in the run-up to "O" levels. You can't remember? Well, you're in good company. One of my colleagues needed to make the calculation in a hurry last night. Ten minutes of jottings on the back of every envelope in sight failed to produce a credible answer.

He rang in short order a graphic designer, a senior middle manager at one of Britain's three largest industrial companies, a man who designs and sells computer systems to our big companies, the director of a merchant bank and the chief executive of a city insurance brokerage firm. Two of them thought pi had something to do with it, and two more started muttering about Pythagoras. But none of these luminaries could give an even remotely correct answer. And what is it? Half the base times the height, of course—as any 13-year-old will tell you.

Why not try it on your friends too?

Gulliver's banker

Since James Gulliver took over Oriel Foods a year ago, he has had to stay out of retailing under the agreement made when he left Fine Fare. In April, the agreement expires. So David Webster, who is joining Oriel from William Brandt's next week, could be even more busy on acquisitions for Gulliver than he is now.

Webster is one of the team that Michael Andrews took with him from Samuel Montagu's corporate finance department when he went to become chief executive at Brandt's about a year ago. Gulliver is an old friend of Andrews (they both once sat on the Harvard selection committee), and the Oriel account has naturally rested at Brandt's.

So, although Webster, 28, will have wider financial responsibilities at Oriel, he will be going to a familiar job. Gulliver, he says, is a demanding man to work for. But a tremendous amount has already been done and we can "expect plenty of action after next April."

Making sure

The Glasgow Citizen's Theatre Company, is shortly presenting Twelfth Night at the Shiraz Festival in Iran. It is taking with it, as part of the set, five tons of sand.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

A crisis that cannot be talked away

…IDST THE clash of rival …ecasts about the course of the …nomy, there is a case for …ing a look at what is actually …pening here and now. For …already have all the ingre…nts of a crisis situation; and …should not be deterred …n saying so by fear of being …ed a "moaning Minnie." Nor …uld one be afraid to agree …h Mr. Enoch Powell's call for …her taxes and expenditure … because one has not always …eed with him on other issues. …s main crime on this occasion … to be slightly ahead of events.

Borrowing

The first key feature of the …resent situation is that we are …ere and now running a current …ayments deficit of over …1,200m. at an annual rate. This …s far, far greater than Reginald …laudling's deficit of 1964, with …hich Harold Wilson made such …lay when he won the election …f that year. For on the same …ethod of calculation, the …laudling deficit was a mere …382m.

As on past occasions, there …s every sign that the authori…ies are financing the deficit by …rawing on the reserves and …fficial borrowing. The position …ould be vulnerable enough if …he current deficit were being …inanced by a private capital …nflow attracted by high interest …ates. For such "hot money" …as a very understandable habit …f suddenly taking fright and …eparting at the most embarras…ing moment. But a large part …f the deficit is no longer being …inanced by this means, but by …traightforward official borrow…ng and drawing on the reserves …s in the past. If the Electricity …ouncil and other public sector …orrowing is included, the true …oss of reserves and increases in …fficial overseas indebtedness …mounted in July to £272m., or … tenth of the total reserves.

This massive overseas deficit …s combined with a heavily over…loaded home economy. The August CBI survey shows a near-record low in the proportion of firms working below capacity; moreover some of those firms which were not working at full potential were held up by lack of supplies rather than lack of sales. On top of this an unusually large number of firms are trying to increase their stocks of raw materials and components. A record number of firms say they will be trying to increase employment in a market where labour is extremely tight (whatever the misleading official unemployment figures may say). For the first time since the CBI surveys began, shortage of sales is no longer the single most important factor limiting firms' output. Shortages of skilled labour are reported by 43 per cent. of firms—as many as in the boom of 1964-65; and shortages of other kinds of labour are reported by 23 per cent.—itself a new record and to be compared with 1 per cent. only 18 months ago. Even in export markets the main constraint is no longer the ability to quote competitive prices (mentioned by 50 per cent. of firms as recently as last spring) but delivery dates.

Optimistic

The firms questioned were very optimistic both about export orders and about investment plans. Taken by itself this *would be excellent news; but if* superimposed on an already overloaded economy, something will have to give way somewhere, probably with an unpleasant cracking noise. With these capacity constraints, the Government is right to feel that more sterling depreciation is not the answer. But the way to prevent further sinking of the pound is to change internal policies rather than to prop up the exchange rate by foreign borrowing—we know where that has led us in the past.

If one looks at the financial data, the picture is equally disturbing. The borrowing requirement of the National Loan Fund reached £2,700m. in the 12 months to July. (Keynes advocated deficit finance for periods of slump, not boom.) So far this year the money supply on the narrow definition has risen by an annual rate of 12 per cent. and on the wider definition, by 25 per cent. Bank lending to the private sector has increased by 30 per cent.

Despite the prices and income *policy both wage rates* and earnings were, at the last count, 15-16 per cent. above a year ago. Over the last three months, earnings on a seasonally adjusted basis have been rising at a rate of nearly 22 per cent. Retail prices are nearly 9½ per cent. above a year ago; and if one follows the Department of Employment's attempts to remove seasonal foodstuffs and extract a trend, the price rise is seen to be accelerating.

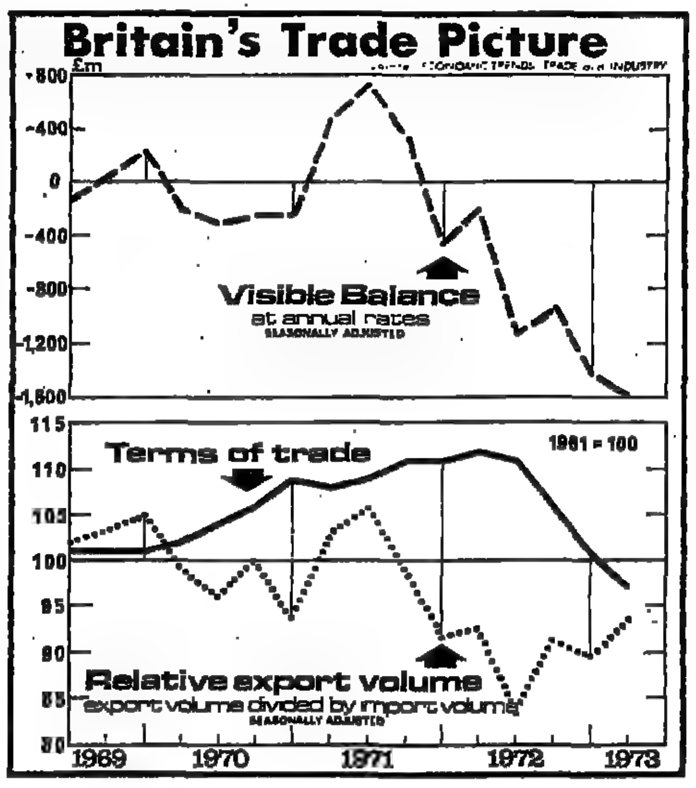
These rates are well above those of the U.S., Germany and France, although below those recorded in Japan and Italy—not that such debating comparisons mean very much. Moreover, the retail price figures do not measure the extent of "repressed inflation" which is being experienced in every meaning of that term. The Phase Two controls are keeping down the lid on a boiling kettle. Even so, the price index much understates the true reduction in value we receive per £1 spent; it fails to take into account enormous waits for buses which do not arrive, the lengthy delays in obtaining any kind of service or building work, or the many subtle ways in which product quality can be reduced when there are legal prohibitions on price increases. Above all, some of the pressures which would normally lead to rising prices at home are making themselves felt in a payments deficit instead—hardly a durable solution.

Intervention

So long as the demand for goods and labour exceeds available supply, so long as the Budget deficit and the money supply are not brought under control (and these physical and financial aspects are related), discussion of incomes policy is an irrelevance. The worthwhile debate is about whether temporary or permanent intervention in the labour market could help to supplement policies of demand restraint. While demand exceeds supply at current price and wage rates, what happens in Phase Three is largely a diplomatic game of little real significance.

It is worth reviewing the standard objections to the above arguments. The one with which Mr. Peter Walker is particularly associated, is that demand restraints now would hit investment "on which long term future growth depends." Of course, effective demand restraints are bound to hit investment. But what would we really prefer? To stake everything on a sudden investment upsurge in the next few months, likely to be brought to a grinding halt by the familiar crisis measures; or to put the brakes on now when investment intentions are already higher than can physically be fulfilled, and aim for a slower but more sustainable growth of industrial capital formation?

"A reduction in the Budget deficit would be much less harmful to industrial investment than the alternative method of relying on high interest rates alone."



A reduction in the Budget deficit would in fact be much less harmful to industrial investment than the alternative method of relying on high interest rates alone. The latter approach hits particularly severely at certain forms of spending, including of course house building and home purchases as well as industrial investment. On the other hand increases in taxation and cuts in public spending, backed up by an effective monetary policy, would spread the load much more evenly over all types of spending.

The most respectable official argument is that because of the slower growth of consumption, demand is in any case slowing down without any need for applying the brakes. The growth of output has recently been running at an annual rate of 6-7 per cent. — so much faster than the growth of productive capacity that it was bound to slow down.

The basic point is that we are already suffering from excess demand now: and even if the National Institute is right in supposing that the growth of demand "in real terms" will now slow down to more normal rates, nothing will have been done to remove the excess. We are moreover in a stage of the cycle — again reminiscent of 1964-65 — when a slow growth of output is just as likely to reflect supply difficulties as anything else and is thus most unreliable as a guide to the state of demand.

Forecasts

Then we arrive at the *favourite argument of all:* the shake-out of commodity prices on which Ministers are said to be "banking" to improve the balance of payments and relieve the pressures on retail prices, thus proving the strategy right.

First, it is necessary to get the whole issue in perspective. It is simply false to regard the payments deficit as reflecting just the explosion of import prices. The National Institute has just published an interesting chart showing the ratio of export to import *volume* completely independent of price changes. This shows that the physical export - import ratio has *improved, as Ministers claim,* only if one makes a particularly near-sighted comparison with 1972. Over the whole period since 1969, the trend of this ratio has been downwards; and it is extremely unlikely that the exceptionally favourable terms of trade of early 1972, which allowed us to get away with such a low ratio, will be typical of the future.

The effects of a possible shake-out in, say, metal and a few grain prices on the total import price index needs to be seen in proportion. There are many other foodstuffs where supply bottlenecks could still be important: and a large proportion of our imports consist of finished or semi-processed goods whose prices will rise with world inflation. The National Institute, which is hardly to be counted among the pessimists, is expecting a total fall in import prices of less than 2 per cent. up to the end of next year.

It is true that this, together with its other forecasts, leads *it to predict a payments deficit* of only £350m. in 1974, with balance being achieved by the end of that year. I shall not repeat my views on the value of payments forecasts, but merely quote the National Institute itself: "Even if this judgment is correct. . . . the Government may well have to deal with speculative outflows of funds at various times from now to the end of next year."

A great deal of official apologetics overlooks the relationship between international commodity prices and home consumption. If commodity prices fall back, this will undoubtedly benefit real living standards. But by this very same token, it should help to push up private consumption. Our rulers may be brave enough to "bank" on a fall in world *prices; or on a really big slowdown in consumer spending.* But if they "bank" on both together, they are likely to have considerable problems.

The timing

A more subtle argument is that it is already too late to introduce a restrictive emergency Budget. In a sense, this is right. If home demand had been checked six months ago, when world trade and production were enjoying an unprecedented *boom,* the main result would have been a diversion of supplies to exports with little, if any, check to the growth of output. World demand cannot remain as favourable as this for long. Even if there is no recession and world economic activity merely returns to normal rates, overseas market conditions are bound to become more difficult. Domestically too, it would have been much less risky to apply the brakes when output was growing at 6-7 per cent. than when it may be growing at, say, 3 per cent.

It was on grounds of such mistiming that I was so opposed to the Thorneycroft, Selwyn Lloyd and Wilson deflationary packages of 1957, 1961 and 1966. But if there is one lesson of this period of history, it is that failure to act in time does not remove the need for action. Whether desirable or not, the sheer pressure of events is likely to lead to a deflationary package; and the longer we wait, the more mistimed and "undesirable" the package is likely to be.

If I am to avoid what I called a fortnight ago the "historicist" fallacy, I should suggest the conditions under which my analysis might be falsified and Government strategy vindicated. This might be a combination *of the following events. First,* there would have to be a very sharp drop in commodity prices associated with a world recession. This would reduce the overload on British industry and even if sterling in these conditions depreciated further it would do so without unacceptable effects on import prices. It would have to be preceded by a slowdown in the money supply, brought about as the unintentional result of high interest rate policies forced on the authorities by pressures on *sterling; and the scenario* would also have to include enough luck for the Government to hold on long enough for "fiscal drag" (that is the increasing burden of existing tax rates when money incomes are rising) to reduce the Budget deficit.

One cannot rule this scenario out of Court: but it is worth reminding ourselves that both domestically and internationally, we have consistently overestimated the dangers of recession and when they have occurred, over-reacted, while at the same time underestimated the dangers of run-away inflation caused by the straightforward creation of too much money.

Entrenched

Readers of this column will be familiar with the view that the roots of our repeated "go-stop" crises lie not in this or that forecasting error, but in a fundamentally mistaken approach to economic management, although one which is institutionally convenient and politically tempting. Unfortunately, this approach is more dug in than ever before. The real cause for anxiety is that each time the same phase of the cycle recurs, it is at a higher rate of inflation and at a higher statistical level of unemployment. Nor is it a matter of much comfort that the U.K. is merely a bad case of a world disease.

Labour News

Triumph men back £50-a-week deal

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

…EARLY TWO out of every …ree of the 8,500 Triumph car …orkers at three Coventry …ctories have endorsed in secret …llot their senior shop stewards' …cceptance of a new wages …ructure that provides nearly …0 a week for the majority of …em and up to £54.20 for highly-…illed workers.

Altogether, 3,864 out of the …175 who voted favoured the …reement and 2,204 were …ainst, with seven spoilt papers. …e interesting thing is that …re than 2,000 failed to vote.

The new protected earnings …an, as it is called, eliminates … piece-work gangs and puts … workers into 14 working …oups. The agreement is back-…ted to July 12 and now goes …fore the Pay Board for …dorsement. The terms of the …reement are re-negotiable …nually over its three-year …iod.

…ilmot Breeden

… breaks new ground within … British Leyland programme … converting workers to a flat-… pay system by incorporating … 10 per cent. piece-work …nent. A further 1,000 workers … be brought into the agree-…t as their separate agree-…ts run out.

…addition to improvements in …, there are extra benefits in …erms of holiday entitlements, …irement pensions and lay-off …

A MOVE to prevent complete shut-down of the Wilmot Breeden components plant in Birmingham, which supplies all the major U.K. vehicles manufacturers except Vauxhall, the 450 workers on a pay strike have been called to a meeting at union offices today.

The company, which makes door and window *winding* mechanisms, bumpers and other components yesterday laid off several hundred more workers, bringing the total to more than half the 4,000 labour force.

The strikers are toolroom, maintenance and other skilled workers who are demanding an extra £13-£18 a week to give them parity with skilled production workers earning on average £55 a week with up to £60 for polishers.

They have rejected an offer of £3.50 a week with a promise of further negotiations when future Government pay legislation is known.

Chrysler was stepping up production at the key engines and transmissions factory at Stoke which supplies other manufacturing centres in the city, at Linwood, Scotland—where 4,400 are laid off—and the Commer van factory at Dunstable.

Although the vast majority of the workers at Stoke have left the 156 striking electricians to pursue their £250-a-year pay claim alone, most of the 88 millwrights who are equally essential for maintaining equipment again stayed away.

…ivil servants to strike …f pay claim fails

…Y JOHN WYLES, LABOUR STAFF

…NTINGENCY PLANS for …trial action later in the … are being drawn up by … Civil and Public Services …ciation in support of a … for special case pay … for civil servants dur… Phase Three of the Govern…t wages policy.

…with other civil service … the CPSA is pressing the …rnment to raise Civil Service … for the second time this year. … hope that the Pay Board's …rt on anomalies created by … wage freeze and Phase Two, … to be presented by …ember 15 will clearly advise … civil servants are a case for …al treatment.

…t the CPSA executive gave the go-ahead yesterday *for preparations* for industrial action if the Government refuses to accept that it has a special case. The union, which claims more than 200,000 members, staged a series of one-day stoppages and bans on overtime earlier in the year, when civil servants' pay rises were delayed from January 1 to April 1 by the wage freeze.

● The 5,000-strong Court Officers' Association has voted by 2,659 to 582 in favour of amalgamating with the CPSA. The association represents clerks, bailiffs, ushers, secretarial and typing grades employed mainly in county courts. It is hoped to complete the amalgamation by the end of the year.

Other Labour News, Page 18

Army and Navy up £4m. on Fraser bid 'go—ahead'

BY NICHOLAS OWEN

THE STOCK MARKET value of Army and Navy Stores ended £4m. higher yesterday when the company's shares staged a sharp recovery following the announcement that a takeover by the House of Fraser is not to be investigated by the Monopolies Commission.

Army and Navy's price closed at 648p, a rise of 70p. Fraser shares dipped 4p to 104p at first, but finished the day unchanged at 108p.

There had been widespread fears in the stock market that the Fraser offer—and the linked plan to sell and lease back Army and Navy's main London properties—would be referred to the Commission by the Department of Trade and Industry. The takeover would almost certainly have fallen through if the DTI had acted.

It was clear yesterday that the DTI subjected the proposals to a lengthy and close scrutiny. There seemed little doubt that no monopoly considerations would arise in big provincial shopping areas if Fraser took in Army and Navy.

As for London, it looks as though DTI officials considered Fraser—whose stores in the capital include Harrods—faced plenty of competition, not only from other department stores, but also a wide variety of retail outlets.

Army and Navy has already embarked on redevelopment of its principal store in Victoria Street. Fraser intends to sell the site to a joint company formed by Amalgamated Investment and Propery, which has a 30 per cent. stake in A. and N., and International Caledonian Assets, part-owned by House of Fraser.

One rather unusual aspect of the Army and Navy bid plan has been the public comments by Mr. William Semple, the chairman, who has made it clear he was less than keen on the takeover, although he and the Board considered it in shareholders' best interest to accept.

The DTI studied his remarks, as well his claim that the presence of the AIP stake "had inhibited" expansion of Army and Navy's business.

THEATRE PLAN TO COST £½M.

Plans for changes to Nottingham Playhouse, approved by the city's estates committee, include an extension to the theatre, an art gallery, and accommodation for Trent Polytechnic Design Group.

The scheme is expected to cost about £½m. but the committee, at the moment, has no idea where it will come from. Councillor George Dobson, chairman, said: "I don't think the ratepayers will stand for a levy, but I am hopeful we shall be able to raise the money somehow."

'Shadow' Cabinet an electoral handicap, says Labour MP

BY RICHARD EVANS, LOBBY CORRESPONDENT

AN OUTSPOKEN attack on the "shadow" Cabinet as a future electoral handicap for the Labour Party is made to-day by Mr. William Rodgers, a former Labour Minister and MP for Stockton on Tees.

The attack in the monthly magazine, Socialist Commentary, will be widely regarded as a specific criticism of Mr. Harold Wilson's leadership of the party and his failure to bring forward new men. Mr. Rodgers was sacked from Labour's front bench over a year ago largely because of his staunchly pro-Common Market views.

"Yesterday's men, however hardworking, are inevitably an impediment to success to-morrow," he writes. "It is a brutal fact that most of Labour's 'shadow' Cabinet now have neither *the freshness* nor authority to command the success that has hitherto escaped them.

"Any hardheaded assessment of Labour's prospects must acknowledge that for the most part they have become the blunted spearhead of a party *that desperately needs* a cutting edge."

Mr. Rogers' criticisms, at a time when the party leadership will be trying to maintain unity at the Blackpool conference in a month's time and in the run up to the next election, could provoke angry reaction from the Left-wing.

A warm supporter of Mr. Roy Jenkins, he argues that with the current disillusionment with a Tory government there ought not to be an almost equally matched disillusionment with Labour.

One of the problems he sees is that Labour has only recently *been in office.* In the public mind this makes it less an alternative government waiting impatiently in the wings than an administration decisively rejected a short time ago.

He argues that voters would not readily embrace bright new policies, when advocated by men who claimed to know the answers that they lacked as ministers a short time ago.

Eight of the 12 elected members of the present "shadow" Cabinet, omitting its leader and his deputy, were members of the defeated *Cabinet of* 1970. Also, the average age of the parliamentary committee ("shadow" Cabinet) is above that of the Tory Cabinet which it seeks to replace.

"Why should the public believe that the old guard can achieve creative solutions to Britain's problems in the 1970s when they failed to do so in the *years after 1964?" he asks.*

Mr. Rodgers believes that, because of recent Liberal achievements, the Labour Party in 1973 is not poised for power as it was 10 years ago. There is a nagging anxiety in the Parliamentary Labour Party, the constituencies and the trade unions about *Labour's fitness to* govern.

"The Blackpool conference should be a deeply serious occasion, an exercise in winning back our own self confidence and the goodwill of the public, not a spectacle of blood-letting, inefficiencies and self deception," he declares.

BIP TO CLOSE SUBSIDIARY

Because of industrial unrest and "totally inadequate" levels of return on investment over a *number of years British Industrial* Plastics is closing its mould-making subsidiary, BIP Tools, Birmingham.

COMPANY NEWS + COMMENT

£1m. for Stoddard in second half

AFTER £558,000 in the first half, Stoddard Holdings has produced a profit of £1.57m. for the year ended May 31, 1973.

This compares with £475,000 for 1971-72 of which £140,000 came in a subnormal first half.

Chairman Sir Robert Maclean says substantial demand continued throughout the year. Home sales increased by 34 per cent. and export sales by 75 per cent.

The company has derived substantial benefit from the first full year's contribution of the new Axminster looms, production from which has increasingly been channelled into export markets. Further capital expansion is planned with a view to increasing production in proved profitable lines for both home and export markets.

Following the return to interim dividends, a final of 1.875p, or 1.3125p net, is recommended to make 3.125p. Previous payment was an interim in respect of 1969-70.

Earnings are shown at 26.2p (11.1p) per share.

	1973 £000	1972 £000
Turnover	12,565	9,346
Trading profit	1,659	629
Finance charges	115	156
Associates	25	2
Profit before tax	1,569	475
Taxation	132	15
Deferred tax	372	—
Net profit	1,059	460
Dividends	100	15
Retained	959	445
NET ASSETS—		
Fixed assets	2,838	3,363
Investments	52	69
Net current assets	2,809	1,441

● comment

Stoddard Holdings is a recovery situation come good, the company have pulled itself round from losses of just under £0.7m. in each of the two years 1969-70 and 1970-71. A management reshuffle two years ago, a consumer boom and trading-up in the carpet market have now led to profits more than trebled over the year, leaving the shares at 92p (up 3½p last night) on a p/e of 4.7—which could drop to 3.6 if the market's predictions of £2m. pre-tax for the current year are confirmed—backed by an asset value of at least 100p a share. Even given a slow-down in the home market, and the company reckons that export growth will go a long way towards compensating for that, the shares are a fair proposition.

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INDEX TO COMPANY HIGHLIGHTS

£892,000 by Western Credit

A RECORD profit of £892,000 is reported by Western Credit Holdings for the year ended June 30, 1973.

It compares with £890,000 forecast with the July one-for-three rights issue and £560,000 achieved for 1971-72.

Two interim dividends totalling 13¼ per cent. gross, have been paid compared with a total 12½ per cent. for the previous year. The directors have indicated that there will not be a final dividend because of the effects of the imputation tax system and Government restrictions on dividend increases.

After tax £379,000 and minorities £1,000, provisional profits attributable to the company are £512,000. Dividends account for £109,000.

Ofrex tops £1m. at half way

AN INCREASE of 26.5 per cent. in pre-tax profit, from £814,000 to a record £1,030,000, from a 21 per cent. rise in sales, from £6,536,000 to £7,939,000, in the six months to June 30, 1973, are reported by Ofrex Group the industrial fastening and packaging, office machines and supplies group.

The interim dividend is increased from 0.91p to 1.1p a share net—7.85 per cent. gross—the maximum permitted. Last year's gross total was 12.5 per cent. paid on a pre-tax profit of £1,455,655.

After tax up from £336,000 to £473,000, net profit advanced from £488,000 to £557,000.

In his annual statement in April, chairman Mr. G. Drexler said that given a reasonably settled economic climate, the group expected to produce record sales and profits.

He says now that the benefits of recent investment in new facilities, plant re-location and management "will continue to accrue from now on."

The chairman also discloses that the group has a heavy backlog of orders following high world demand for its products. "In common with all other manufacturers our greatest single problem is shortage of raw materials and components," he adds.

The Australian group of companies purchased in 1972 is making "a significant contribution" to profit, and the South African situation has improved with that business due to come into profit during 1974.

● comment

Ofrex's interim results—profits up by 26 per cent.—clearly endorse earlier projections of a record year. Roughly half the extra comes by way of a full six months' income from the Australian subsidiary and reduced losses in South Africa, but this should not detract from growth record elsewhere which has been hindered by shortages of materials. This problem is still holding back output in the face of a strong uptrend in orders. Nevertheless, with the South African activities likely to be trading profitably by the end of the year, Ofrex should still be capable of at least doubled first-half profits overall. That would give a 13.3 net p/e at 134p, so that much of this growth has already been discounted.

Phoenix Timber expansion

PROFIT BEFORE tax of Phoenix Timber Company rose substantially from £432,667 in the year 1971-72 to £1,106,171 in the nine months to March 31, 1973.

Turnover for the first four months of the current year has continued at "a very satisfactory rate," the directors state. "All indications point to a continuation of profitable trading."

After six months, when pre-tax profit was up from £178,000 to £487,000, chairman Mr. Alexander Gourvitch said it was anticipated that results for the remaining three months would be on at least as good a scale.

The final dividend is 6.8875 per cent., or 4.8212 per cent. net, to make 13.3875 per cent. for the period. A total of 17 per cent. was paid for 1971-72.

Sales expanded from £13.83m. to £14.35m. Net profit improved from £354,099 to £644,421 and earnings per share are shown at 22.4p (9.1p).

A professional valuation of properties made in January, 1973, on a going concern basis disclosed a surplus of £3.32m. over the corresponding book values.

A net sum of £2,281,930 has been added to group reserves.

● comment

It has been an active final three months for Phoenix. Margins (pre-tax) have doubled over the nine months, and sales for the quarter point to an annual level of £22¾m. against an average of £11¾m. for the previous three years. In line with the rest of the sector, demand is still roaring away and Phoenix continues to push into woodworking with a higher added value. But for all that, the main investment criteria now are probably (a) the extent to which a 5½ net p/e anticipates the end of the present timber cycle and (b) the reality of a 120p share price in the context of net worth amounting to perhaps 135p.

Youghal Carpets upsurge

FIRST HALF group pre-tax profit of Youghal Carpets (Holdings) were more than doubled at £1.86m. and only some £0.34m. short of the £2.2m. achieved for the year 1972.

And the directors anticipate that trading results for the second half "will also be satisfactory."

The interim dividend is maintained at 20 per cent. on capital increased by a one-for-two scrip issue—an effective increase of 6⅔ per cent. The 1972 total was equal to 33⅓ per cent.

	Half-year 1973 £	1972 £
External turnover	12,[illegible]	[illegible]
Trading profit	2,392,402	1,226,118
Loan interest	94,638	96,759
Depreciation	342,596	229,647
Profit before tax	1,864,855	932,720
Taxation	501,000	186,000
Minority holders	550	550
Attributable	1,363,305	726,180
Preference dividends	17,054	17,523
Interim Ordinary	596,822	391,467

● comment

Youghal's half-time profits yesterday spoiled all the analysts' earlier projections for the year, and the market responded with a 6p jump in the shares to 158p. It now seems that the end-year pre-tax figure will be in the region of £4m. minimum and, on a subnormal tax charge of 27 per cent., this puts a prospective multiple on the shares of under 7. What prevents one saying that the shares are outstandingly cheap is first, that higher quality carpets have benefited from trading-up on the part of consumers—which could easily be reversed in a squeeze; and second, that a resultant drop in orders from the U.K. weaving subsidiaries could hit Youghal's yarn exports which attract favourable tax treatment. However, there is certainly no indication of this at the moment—witness the buoyant carpet export figures—and anyway Youghal is on the lookout for a manufacturer of lower-grade carpets which should provide it with some insulation against the risk.

Statement, Page 10

Mr. Gerald Caplan, chairman of London and County Securities, at yesterday's annual meeting in London, where he forecast a further substantial increase in assets and earnings for this year. (See Page 23.)

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
A. G. Barr ...int.	5.6§	Nov. 5	8	—	26¼
Black & Edgington ...int.	6.3(k)	Oct. 1	6	—	13.08
Blagden & Noakes ...int.	2.86†(f)	Jan. 4	2.75	—	6.5
Brown Bros. and Albany int.	0.56†§	Jan. 7	0.8	—	1.57
Cray Electronics	32.25(m)	—	25	40‡	40
J. & J. Dyson	1.75†§	Oct. 26	2.5	4.38	4.38
Gripperrods	24(j)	Oct. 24	22½	42	40
Kinta Kellas Tin ...3rd int.	55(o)	Oct. 8	50	105	100
Edward Le Bas ...int.	0.89†(e)	Oct.	1.25	—	1.75
Mather and Platt	1.05†(g)	Jan. 7	1	—	3.2
Ofrex ...int.	7.85(d)	—	7.5	—	20
Phoenix Timber	6.88(a)	—	11	13.39(b)	17
Richards and Wallington	1.94†(p)	Jan. 8	1.85	—	4.71
Stoddard Holdings	1.87†(c)	Nov. 7	nil	3.12	nil
Trutex ...int.	8.75(h)	Oct. 1	8.33*	—	21.87*
Van Diemen's Land	12½	Nov. 15	7½	12½	7½
Youghal Carpets ...int.	20	Sept. 28	13⅓*	—	33⅓*
Warren Rubber ...int.	15(q)	Sept. 28	2½	—	10
Wrensons Stores	11.87	Oct. 18	—	16.87(n)	—

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisition issues. § Net equal to last year's gross. (a) Gross of 4.8212 per cent. (b) For nine months. (c) Gross of 1.3125p. (d) Gross of 1.1p. (e) Gross of 0.625p. (f) Gross of 2p. (g) Gross of 0.735p. (h) Gross of 6.125 per cent. (j) Gross of 16.8 per cent. (k) Gross of 4.41 per cent. (m) Gross of 22.575 per cent. For 16 months. (n) For 15 months—not less than 15 per cent. was forecast. (o) Gross of 38.5 per cent. (p) Gross of 1.36p. (q) Gross of 1.05p. No further distribution anticipated.

Gripperrods record £0.42m.

ON A SHARPLY increased turnover of £2,427,031, against £1,431,823, group pre-tax profit of Gripperrods Holdings expanded from £294,405 to a record £421,594 for the year to April 30, 1973, after £186,700 (£131,600) for the first half.

Earnings per 10p share are shown to have advanced to 11.1p (7.5p).

A final dividend of 16.8 per cent. net—equal to 24 per cent. gross—lifts the gross total from 40 to 42 per cent.

The net profit came out at £267,114 (£179,172) after tax £154,780 (£115,233). The figures include 14 months' trading of the South African subsidiary.

The dividend is waived on 650,000 shares.

Gripperrods manufactures carpet installation grippers and edging devices.

● comment

Gripperrods has turned 42 per cent. pre-tax profits growth after six months into 43 per cent. for the year; but to do so it has had to consolidate for 14 months the now wholly-owned South African interests. South Africa chipped in 14 per cent. of the sales total, so its profits (compared with royalties only on a 40 per cent. equity stake last time) must have been sizeable too. However, a slowdown in the rate of advance must clearly be expected as Gripperrods climbs steadily away from a modest earnings base. This year the group sees nothing to complain about in demand level so far, and at 94p a 10½ net p/e is not taking seriously either the record—profits quadrupled in five years—or the sheer size of the market for fitted carpeting.

Associated & KPH in money market

Following the disclosure on Wednesday of full details of the sales of its hotels and certain properties to Norfolk Capital Hotels, it was further stated yesterday that Associated Hotels and Kensington Palace Hotel had now agreed to place £5m. on the money market at 14 per cent. for six months from September 29, 1973, following conclusion of the deal with Norfolk.

Mr. K. Erskine, chairman of Associated and KPH said it was now clear the non-Securicor earnings of both companies for the year ending September 30, 1974, would be very considerably in excess of the non-Securicor earnings for 1971-72.

Blagden & Noakes growth

STEEL DRUM manufacturers and reconditioners, etc., Blagden and Noakes (Holdings) indicates an increase in group pre-tax profit from £1.46m. to some £1.63m. for 1973.

First half profits advanced from £0.7m. to £0.82m. and the chairman, Mr. J. K. Noakes, says there is no reason why the results for the second half should differ materially from those of the first.

He reports that demand during the first half was at a high level.

Most sections contributed to the profits growth but in one or two areas there are problems of a technical or managerial nature which are in the process of being resolved.

The firm demand continues, he adds.

An interim dividend of 2p net—2.86p gross—is declared, compared with 2.75p gross. The 1972 total was 6.5p per 25p share.

	28 weeks 1973 £000	1972 £000
Turnover:		
Drums and casks	5,917	4,998
Plastic engg. mouldings	282	185
Chemicals	3,368	2,871
Protective equipt. etc.	441	386
Total turnover	[illegible]	[illegible]
Trading profit:		
Drums and casks	628	549
Plastic engg. mouldings	11	26
Chemicals	101	89
Protective equipt. etc.	88	49
Expenses (unallocated)	8	3
Total trading profit	809	690
Other income	5	*2
Share associates	3	16
Profit before tax	817	704
Taxation	376	277
Minorities	155	154
Net attributable	286	273

* Deficit.

The partly owned subsidiary, Rheem Blagden, has acquired 80 per cent. of the capital of N.V. Etabl. J. Verstraete S.A., of Belgium, steel drum reconditioners, for B.Frs.44,768,000 (£486,600), all raised by loans in Belgium.

The vendor is entitled to further payments in each of the next five years if certain profit levels are achieved but the overall additional consideration cannot exceed B.Frs.17.4m. (£189,130). It is anticipated that the total financing will be from Belgian sources.

For the year 1972 profits representing the 80 per cent. interest were £158,078 and for five months to May 31, 1973, £102,174. Net assets were £320,652 and £378,522 respectively.

● comment

Blagden and Noakes has lifted its interim profits by 16 per cent. pre-tax on an 18 per cent. rise in sales. Despite evidence at the end of last year that the plastics division was at last on the upward trend, it has once again proved a hindrance to the group. Profitability here was severely hit, in the first six months, by technical problems (hence the drop in margins) and the losses resulting from these offset much of the profits growth produced by other activities. However, the group has now overcome most of these problems and is expecting a much more useful contribution from the plastics side in the current six months. So, given that demand is still high for steel casks and drums as well as for chemicals and industrial protective equipment, the forecast of doubled first-half profits for the full year should be well within reach. At 126p on a net prospective p/e of 10½ the shares, therefore, look well supported.

ISSUE NEWS AND COMMENT

Water Preference tenders

Brokers Seymour Pierce and Co. have completed arrangements for two water preference tenders. East Anglian Water Company and Hartlepools Water Company are each issuing £500,000 7 per cent. Redeemable Preference Stock 1978 at a minimum tender price of £94 per cent.

For both issues a deposit of £10 per cent. must accompany each tender to be received by Thursday, September 6. The balances are due on Friday, September 28.

Interest on the Hartlepools stock is payable half-yearly with a first payment of £1,845 per cent. due on January 1, 1974. While the interest on the East Anglian stock is also payable half-yearly, the first payment is £3.571 per cent. due on April 1, 1974.

● comment

Both the East Anglian and Hartlepools preference stocks are identical to that of Rickmansworth. The latter issue, despite its attractive franked investment income, felt the full effects of the upheaval in the money market and was substantially left with the underwriters. The stock is now standing at a 1 point discount to a buyer, which is the minimum tender price for the two new issues. With few signs of any confidence creeping back into the market, it would not seem necessary to tender above the minimum price for stock.

Abridged details Page 31

JAMES H. LAMONT

County Bank announce that 95,322 shares in James H. Lamont and Co. not accepted under the terms of the recent rights issue have been sold in the market.

An amount of 1.193p per share will now be paid to holders entitled provided that an amount in excess of £2 is payable. Entitlements not exceeding £2 will be paid to the Company.

Richards & Wallington progress

FIRST HALF 1973 profit of Richards and Wallington Industries increased by 49 per cent. to a record £931,000 and the directors are keeping to their forecast of a record for the year of £2m., plus contributions from Smith Enterprises (Glamorgan). The 1971 figure was £1.47m.

Smith was acquired on June 1, and its profits are included in the interim figures for that month only.

Still further domestic expansion is continuing, and planned major developments in overseas business will provide "substantial and increasing profit contributions in the coming years."

An interim dividend of 1.36p (1.295p) net is declared, equal to approximately 1.94p (1.85p gross). The 1972 gross total was 4.707p.

	Six mths. 1973 £000	1972 £000	Year 1972 £000
Profit before tax	931	622	1,471
Tax and tax reserve	*465	250	583
Net profit	[illegible]	372	888
Preference dividend	14	14	29
Ordinary†	126	94	240

* No corporation tax payable on profits for period—transfer to equalisation reserve based on the rate of tax of 50 per cent. (40 per cent.). † Less waiver—dividends paid in 1972 are adjusted on to a comparable basis under the new system of tax.

Statement, Page 8

E. Le Bas

Taxable profit up 17 per cent. to £245,000 is reported by Edward Le Bas, formerly the British Steel Piling Co., for the half-year to June 30, 1973. And full year profit is expected to be in line with the £423,839 of 1972.

Stated earnings are 5.54p (5.06p) per 25p share and 3.82p (3.54p) fully diluted.

An interim dividend equal to 0.893p gross — 0.625p net — is declared and represents some 50 per cent. of the maximum allowed. Total for 1972 was 1.75p.

A breakdown of sales — £5,164,000 against £6,891,000 shows foundation and construction equipment contributing £2,130,000 (£1,407,000); safety relief valves, electric vehicles, foundry supplies £1,198 (£1,179,000); agricultural engineering and system building £1,407 (£1,070,000) and steel sheet piling £429,000 (£3,235,000).

Mr. A. R. Burrows, chairman explains that termination of a steel sheet piling contract resulted in a reduction of sales from £3,235,000 to £429,000 and profit from £93,000 to £12,000. Taking this into account the directors feel results are satisfactory.

	Half year 1973 £
Sales	5,164,000
Operating profit*	293,000
Loan interest	43,000
Bank interest	5,000
Profit before tax	245,000
Taxation	110,000
Preference dividend	5,250
Leaving	115,250
Available Ordinary	129,750
Interim dividend	14,625
Retained	115,125

* After minorities.

J. & J. Dyson meets forecasts

IN LINE with a forecast in excess of £1.4m., group pre-tax profit of J. and J. Dyson increased from £1,362,333 to £1,411,570 for the year to March 31, 1971.

The final dividend is 1.75p per 25p, equal to the shadowed 2.5p gross (same), and maintains the gross total 4.375p.

Net profit, after tax, £916,831 against £969,168, and carry forward is £2,46[illegible] (£2,145,114).

Joseph Stocks

Joseph Stocks and Sons (Holdings) provision merchants Manchester, reports profits of £241,155 against £1[illegible] in the year to March 31, 1973, chairman Mr. D. W. Oster forecasts continued progress.

Brown Albany £0.3m. rise

FOLLOWING THE forecast of record profits for 1973, Brown Brothers and Albany reports a first half figure up from £1,190,000 to £1,325,000, on turnover ahead £2.2m. at £26.6m.

And prospects for the second are "more than encouraging" assuming reasonable trading conditions, the directors state.

They are effectively maintaining the interim dividend at 0.56p net and propose to pay with the final the marginal increase currently permitted. The 1972 total was 1.375p gross, including interim 0.8p, from profits of £2.37m.

After tax £705,000 (£476,000), first half net profit came to £820,000 (£714,000).

The group distributors accessories to the motor, radio, electrical and cycle trades, and sells replacement tyres. The manufacturing side covers aircraft standard parts, domestic heating equipment, and light engineering.

See Lex

Cray Electronics

In line with the June forecast of more than £200,000, taxable profit of Cray Electronics reached £205,640 for the 16 months ended April 30, 1973. The figure of £176,657 for the previous 12 months is not comparable owing to the merger with J. and S. Engineers.

Earnings are given as 3.1p (67p) per 10p share. As promised, a final dividend equal to 32.25 per cent. gross—22.575 per cent. net—makes 40 per cent. for the period —30 per cent. adjuster on enlarged capital. Previous total was also 40 per cent.

	16 mths. 1972-73 £	*12 mths. 1971 £
Turnover	3,436,701	1,031,240
Profit before tax	205,640	176,657
Tax	83,516	76,208
Net profit	121,124	100,449
Dividends	117,531	60,000

* Not comparable.

Mather & Platt marks time

FROM A turnover ahead by £4.37m. at £27m., general engineers Mather and Platt has only improved its first half 1973 profit by £3,835 to £1,156,745.

Interest charges took £475,386 (£362,145). After tax £566,427 (£481,508), net profit was £590,318 against £671,402.

The directors state that orders for the current year of the parent company are running at some 50 per cent. higher than last year.

While forecasting is "extremely hazardous," they are looking to continued improvement for the group overall and are increasing the gross interim dividend from 1p to 1.05p (equal to 0.735p net), the amount permitted.

In 1972, total dividend was 3.2p from a profit of just over £3m.

See Lex

Wrensons on target

IN LINE with the £900,000 forecast, Wrensons Stores has produced a profit of £920,000 for the 15 months to March 31, 1973, of which £900,000 was earned in the last 12 months.

Results incorporate the Redman group for the year ended March 31, 1973, the Gerosan group for the period March 26, 1972, to March 31, 1973, and David Greig from October 1, 1972. Profit of the old Wrensons was £119,000 for the year ended January 1, 1972.

The final dividend is 11.875 per cent. making 16.875 per cent., the maximum permitted, for the period. Not less than 15 per cent. had been forecast.

After tax £393,000, minorities £10,000, pre-acquisition profits of David Greig £198,000 and extraordinary credits £1,092,000, net profit was £1,411,000. Dividend absorbs £173,000—Mr. Martin and Mr. Peter Green have waived their final dividend on 1,430,272 shares.

Earnings are shown as 6.3p basic and 6.6p diluted.

Extraordinary credits comprise profits on the sale of properties not acquired with the intention of resale £1.47m., and profits on disposal of shares in a former subsidiary £20,000; less reorganisation expenses £398,000 of which severance and redundancy pay accounted for £207,000.

Chairman Mr. A. M. Redman says by the end of March the company had achieved its primary objective of becoming a major national retailer, with over 240 stores and supermarkets from Barrow and York in the north to Swansea, Portsmouth and Margate in the south, producing an annual turnover of almost £50m.

All stores are being incorporated under the David Greig banner, and the company will also take that title. Integration benefits should come to full fruition in 1974-75.

On the current year, he tells members that turnover for the first 17 weeks shows a "satisfactory increase" despite closing 43 branches which were mostly uneconomic.

He feels it imprudent to forecast profits for the year because of uncertainties: he stresses that these will not be allowed to inhibit the expansion programme.

The two largest stores to date are providing an "excellent base" for development of the clothing and household departments. Supermarkets and stores are being refitted at the rate of about one per week.

Looking ahead to 1974-75, he says there are firm plans for several supermarkets. A large number of further potential sites are currently under investigation with a view to increasing substantially the total sales area during the next two years.

In June, freehold and leasehold properties were revalued to throw up a surplus before tax of £4.5m. over the £10.58m. book value.

The former David Greig head office in Waterloo Road, S.E., is surplus to requirements, and the directors will consider the possibilities of redeveloping or selling to another developer on advantageous terms.

Meeting Manchester, September 24, at 3.30 p.m.

● comment

Wrensons Stores has met its forecast for the 15-month trading period, though in a period of major changes the figures cannot have all that much relevance — published retail trading profits, for instance, amount to little more than the reorganisation costs charged below the line. The balance sheet shows heavy short-term borrowings approaching £7m., but stock reductions have since helped to bring down the overdraft and Wrensons is considering whether to sell the former David Greig head office. The question now is whether it can generate profits of £2m. pre-tax, which would drop the p/e to a reasonable 14½, fully diluted.

Transport Development Australia

An advance in group profit before tax, from $A703,170 to $A951,905 is reported by Transport Development Australia for the year ended June 30, 1973.

The total dividend is 14 per cent. (11.82 per cent. equivalent). The final is 7.5 per cent.

	1973 $A	1972 $A
Turnover	5,782,199	4,444,333
Group profit*	1,283,374	995,121
Depreciation	331,469	291,931
Profit before tax	951,905	703,170
Taxation	444,635	318,932
Net profit	507,270	384,238
Extraordinary credits‡	164,084	119,603
Attrib. to members	671,354	503,841
Interim dividend	122,956	111,593
Final dividend	141,966	111,503
Retained	406,432	280,231

* The group adopted tax effect accounting during year to June 30, 1973. The figures for year to June 30, 1972, have been adjusted to reflect position had tax effect accounting applied in that year. † Includes $A14,450 ($A57,918) arising from acquisition. ‡ Capital profits on sales of surplus properties.

Upward trend for Trutex

On a turnover up from £2,132,000 to £2,381,000 first-half 1973 profit of Trutex increased from £172,529 to £230,173, subject to tax of £105,000 (£70,000).

Deliveries indicate another record schoolwear season for the company and future orders including leisurewear sales all point to a buoyant and busy second half, the directors state. Profit for the year 1972 was £420,538.

An interim dividend of 6.125 per cent., equal to 8.75 per cent. gross (8.33 per cent. gross, after adjustment for a scrip issue) is declared. The 1973 total was equal to 21.87 per cent.

The chairman Mr. J. D. Hodgson and Mrs. Hodgson have waived their entitlement to the interim amounting to £13,562. After allowing for waivers the present dividend will absorb £12,898 (£10,805 net).

REEVES SUB-DIVISION

Reeves and Sons states that approval has now been obtained from the DTI to their proposed change of name to Reeves Dryad. A recommendation to sub-divide the Ordinary shares of £1 into four Ordinary of 25p each, is also announced.

MINING NEWS

Now the money flows in to NBHC

BY KENNETH MARSTON

A SPARKLING set of half-year results comes from the Rio Tinto-Zinc group's NBHC Holdings. Net earnings for the past six months to June 30 have soared to $14.85m. (£8.54m.) from $3.80m. made by the now Australian registered company (formerly New Broken Hill) in the first half of last year. And the current year's interim is lifted to 5.9 cents (3.38p) compared with 2 cents in 1972 when the final was 4 cents.

The three-fold increase in earnings reflects a full six months' working of the big Bougainville Copper operation which did not start commercial production until April 1 last year; higher lead and zinc prices which have trebled dividends of the 42½ per cent.-owned Australian Mining and Smelting; and the latter's acquisition of the AM and S Europe group (notably the U.K. Avonmouth smelter) in the second half of 1972.

Good though it is, the latest NBHC interim reflects only the earnings of Australian Mining and Smelting because the recent maiden dividend of Bougainville Minings has not yet been paid. Matters now become complicated by *the pending scheme—details* are to be sent out towards the beginning of November—whereby NBHC is to be liquidated and six shares in Bougainville Copper plus five in Australian Mining and Smelting are to be exchanged for every five in NBHC.

So, apart from the 5.9 cents interim now declared, NBHC holders can anticipate a considerably increased final which will be paid on their holdings of Australian Mining and Smelting.

They will also get 4.2 cents per existing NBHC share from the Bougainville Mining dividend; an expected 2.2 cents from BM's other assets; and a dividend equivalent to 12 cents per NBHC share *from the further dividend* of 10 cents which is to be declared before the end of this year by Bougainville Copper.

If metal prices keep at anywhere near their current levels NBHC deserve to be one stock to shrug off the blight which currently affects Australian mining issues. The shares were 235p yesterday.

HIBERNIAN HOPES

Canada's Hibernian International lays further claims to what is described as an important copper find at Castle Roche near Dundalk in Ireland. First details were given here on July 6.

Now, in hole No. 11, assays are stated to give 0.93 per cent. copper in a 122-foot core from depths of 18 to 140 feet. Values of 1.85 per cent. were shown in two sections of the hole although it is not stated how long these were.

Hibernian's president Mr. Owen Woods claims that "copper values are extending over an impressively wide area at bedrock below the topsoil," and adds, optimistically, that "all signs point to further important and possibly even better results from the holes in which drilling is continuing apace." Yesterday Hibernian were quoted in London at 37p.

NBH holds its own

THE RESULTS from North Broken Hill for the year to June 30 are hardly likely to do much to lighten the prevailing gloom in the Australian mining share market. The net profit of $5.5m. (£3.17m.) is only a modest amount above that of $5.35m. for 1971-72.

As hoped for here in March, the dividend has been maintained at 7½ cents (4.3p) with a final of 5 cents. The shares were then 102p. Yesterday they were 98p.

NBH sold less lead, zinc and silver in the past year but higher prices were received. Higher operating costs were more than offset by increased investment income. *As a lead-zinc-silver producer at least NBH will not be* hit by the slashing attack on Australia's mining industry in last week's Federal Budget.

LIGHT & SHADE FROM TRONOH

The fall in the half-year net profits of the Malaysian tin producer Tronoh Mines from £375,000 to £140,000 was reported here on August 24. The production drop from 2,084 to 1,485 metric tons of concentrates in the seven-month periods of each year was also then recorded.

In its latest statement the company admits that output has been disappointing and says that, although an improvement is expected in the second half of the year, the 1973 total will be lower than the 3,235 tons for last year.

One encouraging factor is that, whereas the average Penang price per picul was $634 in the first half of the current year, that for June was $653 and that for July $690. Yesterday Tronoh were unchanged at 67p.

NCHANGA MAKES A GOOD START

A good start to the current year to March 31 has been made by Nchanga Consolidated Copper Mines, the Zambian copper-producing group which is 51 per cent. owned by the Zambian Government and 49 per cent. by Zambia Copper Investments.

While sales for the past quarter to June 30 have fallen slightly to 101,707 metric tons from 103,343 tons in the same period of last year, net profits have advanced to K26.7m. from K17.6m. a year ago. The answer to this increase has been, of course, the higher copper price received which averaged K1,027 per ton against K757 in the same quarter of last year.

The latest results strengthen the hopes, expressed in this column earlier this month, that if metal prices keep up Nchanga should be heading for a very good year despite the reduced production target of 413,000 tons compared with the 1972-73 output of 440,000 tons. Zambia Copper Investments, which also has a 12.25 per cent. interest in Roan Consolidated Mines, were 74½p yesterday.

RTZ MOVES IN RHODESIA

The chairman of Riotrust, Mr. Ronnie Walker, said in Salisbury yesterday that the company proposes a one-for-one rights issue of 1.02m. 50 cent shares at 135 cents. He is confident that the dividend of 7.80 cents will be maintained on the doubled capital.

The new money is needed for the purchase of 0.4m. shares in Rhodesia's Empress nickel mine and the issue is being underwritten by the RTZ offshoot Rio Tinto (Rhodesia). Riotrust has an option on the Empress shares at 300 cents at any time between November 1 and the end of January plus a further option on another 0.2m. in mid-1973 at 400 cents.

By that time Empress shares are considered likely to be officially listed on the Rhodesian Stock Exchange. At the moment their "unlisted" price is around 400 cents compared with a 1973 high and low of 525 and 360 cents.

There is also a contra deal between Rio Tinto (Rhodesia) and Riotrust whereby the former's interest in the latter will be maintained at 50.1 per cent. It must be realised that in the present Rhodesian circumstances the RTZ interests there are necessarily autonomous and the income therefrom frozen.

AMAL. TIN'S QUOTA

The September quarter's permitted export quota for the operating subsidiary of Amalgamated Tin Mines of Nigeria is 835 metric tons of tin concentrates. This contrasts with a June quarter production of 747 metric tons which compared with 3,520 tons for the whole year to March 31.

The average price received for concentrates after deduction of Nigerian Government royalty, smelting and other charges was £1,062 in the June quarter, well ahead of the £872 for the year to March. The quarter's columbite output was 33 metric tons of concentrates against 183 tons for the previous 12 months. The shares were unchanged yesterday at 33p.

Fairey set for growth and profit improvement

THE DIRECTORS of the Fairey Company feel that work already done has set the scene for growth and for continued improvement in profit performance, states chairman Sir Joseph Hunt.

He says the development programme begun in 1970 has affected nearly every aspect of group activities and is now virtually complete. Benefits have been obtained from the earlier work and this is one of the reasons why the profit objective for the year under review was achieved in the face of so many changes, many at the expense of short term profitability.

As reported on July 25 pre-tax profit for the year ended March 31, 1973, was £2.13m. (£2.03m.) with a dividend of 3.28p (3.125p).

The year was notable for a number of developments designed to put the group into better shape for the future and for growth, the chairman continues. Active policies were continued in many companies, involving reorganisation, including changes in product structure and marketing plans, fixed assets investment and relocation.

Further progress was made in realising the potential of group properties.

Most importantly, the opportunity was taken at some cost, to tackle the "deep and long standing" problems of the Belgian subsidiary, Fairey SA, and to bring about a major reconstruction *of the aviation interests* the way for which was opened by the acquisition of Britten-Norman.

Sir Joseph says the continuing strong demand for the "Islander" and "Trislander" aircraft and profitable performance together with cash generated from trading during the year have already justified this acquisition.

And, as a result of major reconstruction, Fairey SA is now operating at substantially lower overhead costs by reason of investment in tooling and other production arrangements it is expected that by mid-1974 more than half its work load will be civil aircraft.

Turning to the Marine Group Sir Joseph says group interests in this sector have undergone considerable change and reorganisation and in consequence the current return on the investment is low, the expectation being that an improved performance will be achieved in the current year.

Regarding finance he reports that arrangements have been completed to replace some £2½m. of short term bank borrowings by a five-year loan at a fixed rate of 7¼ per cent. per annum.

A share option scheme is proposed. Meeting, Abercorn Rooms, E.C., September 25, noon.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meeting to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable

TO-DAY

Interims:—Alliance Trust, British and Canadian Investments, Central Wagon.

Finals:—Acrow (Engineers), Associated Leisure, Monitor Holidays, Robb Caledon Shipbuilders, Second Alliance Trust, Yorkgreen Investment Trust.

FUTURE DATES

Interims:—	
Advance Electronics	Sept. 10
Alliance Investment	Nov. 1
Baxter Fell	Sept. 6
Berwick Timpo	Sept. 19
Croda International	Sept. 12
Garnar (James)	*Sept. 4*
Gibbons Dudley	Sept. 6
Jourdan (Thomas)	Sept. 10
London United Investments	Sept. 5
Montfort (Knitting Mills)	Sept. 12
Sumner (Francis)	Sept. 10
Wilkes (James)	Sept. 12
Finals:—	
Armstrong Equipment	Sept. 12
Fox's Biscuits	Sept. 3
Homfray	Sept. 27
Incledon and Lamberts	Sept. 11
Kier (J.L.)	Sept. 18
M.F.I. Warehouses	Sept. 13
Makin (J. and J.) Paper	Sept. 3
Westminster and County Props.	Sept. 4

Howard and Wyndham

Theatre proprietors and managers and publishers, Howard and Wyndham, reports an increased turnover of £3,133,979, against £1,680,414, for the year to June 30, 1973, and a net profit of £173,478 compared with £162,544.

The profit is struck after tax of £37,599 (£31,781) and includes £28,605 (£108,955) profit on sale of investments.

As before there is no dividend *on the Ordinary and "A"* Ordinary. Earnings per share are shown at 4.2p (same).

Growth for London & County Secs.

A further "substantial increase" in assets and earnings of London and County Securities was forecast yesterday by Mr. Gerald Caplan, the chairman.

Mr. Caplan told the annual meeting that each of the seven public companies now within the group—either subsidiaries or associates was strengthening its position in its own industry. He also maintained that the quality of group earnings was improving.

Later, he explained further that where possible the company now treated investments as capital investments and was not engaged in buying and selling assets. Where profits of assets improved so did the quality.

After the meeting, Mr. Caplan described the group as now being a "banque d'affaires" and in this context said that it was planned to expand banking activities on the Continent. This would stem from an increased assets base there, such as provided by property through an association with Heron Corporation in France.

Mr. Caplan rejected criticism from a shareholder over the terms of the acquisition last year of Drakes and the inclusion of £1.9m. of goodwill for the company in the balance sheet even though Drakes assets had been largely realised.

He said this had provided a much needed increase in the equity base. As a result of the deal the company now had £5m. at interest of 9⅝ per cent. for 10 years, which to-day would cost 14 or 15 per cent.

Answering another criticism over sums loaned and secured by London and County shares, Mr. Caplan said at March 31, a total of £2.7m. had been made available for customers to purchase the company's shares. Since then, the figure had been reduced by about two-thirds.

At a subsequent extra-ordinary meeting, a change of name to London and County Securities Group was approved.

Chemical Securities progress

INCLUDING THE newly-acquired Kingsley and Keith Chemical Group, pre-tax profit of Chemical Securities (formerly Crodinvest) increased from £66,384 to £378,642 in the year to June 30, 1973.

Earnings per 10p share are shown to have risen from 2.34p to 4.09p (basic) and from 1.56p *to 3.22p (diluted)*. Maximum permitted dividends totalling 2.4857p have already been paid.

Trading profit was £338,833, compared with a deficit of £4,754. It includes £307,663 from Kingsley and Keith for its year to April 30, 1973, compared with a forecast of not less than £270,000 and with £160,231 for the previous year.

Chairman Mr. F. A. S. Wood says 1973 marked an important year for the group with the expansion of the investment portfolio and the acquisition of Kingsley and Keith. Since its year-end, profits of K. and K. have been at a significantly higher level than last year's buoyant second half.

	1972-73 £	1971-72 £
Turnover	10,682,039	—
Trading profit	338,833	*4,754
Investment income	89,193	71,139
Interest charged	49,404	—
Profit before tax	378,642	66,384
Taxation	153,435	†3,731
Net profit	225,207	70,115

* Deficit. † Credit.

Of the £225,207 net profit, £17,220 was paid as dividend to and retained by the vending holders of K. and K., leaving profit attributable to Chemical Securities at £207,987.

The dilution in earnings per share arises on the conversion of 1.3m. Deferred shares of 10p to 1.3m. Ordinary between July 1, 1973, and July 1, 1981.

Statement, Page 6

JOSEPH LUCAS

Lucas International Trading S.A. has been set up in Lausanne, Switzerland, as a trading subsidiary of Joseph Lucas (Industries) of Birmingham.

The Swiss company has a capital of Sw.Frs.200,000.

BIDS AND DEALS

Agreed £45m. Legal & General bid for Cavendish Land

Legal and General Assurance has agreed terms for a take-over of Cavendish Land, the London property development group, in a deal worth £45.1m.

This is £15m. above the level at which Cavendish was valued *in* the stock market just before it was announced last month that talks were on between the two groups.

L and G is offering 140p per share in cash, with an alternative of 70p cash plus 56p nominal *of* a 7 per cent. convertible unsecured loan stock which will be convertible into L and G equity at one share for 170p of stock between 1978 and 1983. In the market yesterday, Cavendish shares moved up a further 1½p to 133p.

Cavendish has expanded rapidly since Mr. David Lewis moved into the company—then called Eastern *and General Holdings — some 18* months ago.

L and G has the support of holders of 45 per cent. of Cavendish's capital, who will recommend other holders to accept. Mr. Lewis's own stake is valued at £11m. It has been indicated that he will now concentrate his energies on the private David Lewis Group, which is bigger than Cavendish.

L and G, which first became involved with Cavendish last year when it advanced the company £10m., has just under 1 per cent. of the capital at present. Among the properties L and G will own if the deal does through will be a new office block rising above Gloucester Road Underground Station in West London and the Austin Friars and Tozer Kemsley and Millbourn buildings in the City.

See Lex

BRAMMER OVERSEAS EXPANSION

H. Bremmer and Co. has reached agreement in principle with the Summerfield family and other shareholders in Florida Bearings and Antilles Bearings, Miami and Puerto Rico, for the two companies to become members of the Brammer organisation.

The proposed acquisition will provide the Brammer bearing service organisation with the opportunity for development in the major North and South American market, and complement and strengthen strategically its European and U.K. bearing distribution, it is stated.

ASSOCIATES DEALS

Chapman and Rowe on August 28 bought 10,000 Tokengate Investments at 255p average for an associate of Slater Walker.

On August 29 they bought 2,000 Tokengate at 255p average for an associate of Slater Walker.

On August 29 W. Greenwell, on behalf of an associate of Berry Wiggins, bought 5,000 Berry Wiggins at 113p.

On August 29 Grieveson, Grant, *as brokers to House of Fraser*, bought 500 Army and Navy at 585p on behalf of a partner in this firm, and 500 at 580p for a discretionary client.

WARD WHITE BUYS FINN FACTORY

Ward White Group is to acquire on October 1, 1973, the Nuneaton factory of Finn Shoes. Ward White intends to continue the Finn Nuneaton business as an autonomous unit and to develop it in order to meet increasing demand for group products.

UNITED GUARANTEE IN BELGIUM

United Guarantee (Holdings) has acquired Sogema S.A., Brussels for £42,300—this company carries out heating maintenance throughout Belgium.

MATTHEWS DROPS DUTCH TALKS

The Board of Matthews Holdings, the food based group with interests in licensed premises and restaurants, property holding and development, announces that negotiations for the purchase of a majority interest in the share capital of Ger de Kroes B.V. of The Hague, have been discontinued.

It is still the intention of Matthews to expand in The Netherlands and elsewhere on the Continent as, and when, suitable opportunities arise, it is added.

LESLIE & GODWIN ACQUISITION

The Leslie and Godwin (Holdings) subsidiary—Leslie and Godwin (Australia) Pty.—has acquired the insurance broking business carried on in Australia formerly by R. C. Garroway (Insurances) Pty.

Consideration of $A773,388 (about £445,000) cash, represents net tangible assets $21,581 and goodwill $751,807. Pre-tax profit of Garroway for the year to June 30, 1973, was about $102,000.

NEW DAY—MIDLAND HOMES

The offers on behalf of New Day Holdings to acquire the Ordinary and Preference share capital of Midland Ideal Homes have been accepted in respect of approximately 90.24 per cent. of the Ordinary and New Day intends compulsorily to acquire the balance. The offers remain open until further notice.

Cranleigh expansion

The Cranleigh Group—through its associated company Kitchen Queen—has acquired 50 per cent. of the capital of Scala and de Blasio, manufacturers of Di Lusso kitchen furniture.

Consideration is £285,000 of which £140,000 is payable on completion. The balance is subject to adjustment should pre-tax profit of Scala fall short of £200,000 for the year 1973—further consideration may be paid subject to average profit over the three years to end-December, 1975, exceeding £200,000.

Scala's net assets at July 13, *1973, were about £75,000.* Profit for the 18 months to July 14, 1973, were about £120,000 and management accounts indicate that about £65,000 was earned in the period January 1 to July 13, 1973.

Cranleigh has also acquired 51 per cent. of the capital of Secil Securities for £100,000 cash. Secil carries on business of residential property development and at May 31, 1973, held land for development in the Cheshire and Lancashire areas with a value of about £450,000. Net tangible assets stood at about £120,000.

DOLAND TO SELL HEPTON GROUP

Tailors and outfitters George Doland is after all to sell the Hepton Group to Mr. H. Epstone, who resigned earlier this year as Doland's chairman and joint managing director after a £125,000 deal for him to acquire three companies fell through.

Doland said last night contracts to sell the Hepton subsidiary and "certain associated companies" have been re-negotiated with the Epstone family interests. No details were given: the deal will be subject to the ratification of a shareholders' meeting.

Mr. Epstone held 25 per cent. of Doland when he quit the chairmanship, and it had been expected that any sale of these shares could lead to an offer for the group. It was announced in May that discussions on a take-over were on, but they had been called off by the end of July.

GREENSITT TO TOP ESTIMATE

The directors of Greensitt and Barratt, who in March forecast that pre-tax profits for the year to June 30, 1973, would not be less than £5m., now estimate that profits will "comfortably exceed" this figure.

This is stated by G and B chairman, Mr. L. A. Barratt, in a letter to shareholders outlining details of the already announced acquisitions of Sawdon and Simpson, William Bruce and Sons (Builders) and Tom Galloway.

EDINBURGH IND.

Edinburgh Industrial Holdings has acquired 78 per cent. of Strongs British Twist Drill for £84,000 cash.

Pre-tax profit of Strongs for the year to February 29, 1972, was £15,763 and value of assets at that date, £68,966.

BESTOBELL-BSS

The Bestobell offer for British Steam Specialties has been extended until Thursday, September 13, 1973.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	£89½	£86	Algemene Bk Ned Fl100	£89½	+1	18	5.3	4.5	4.3
‡	F.P.	—	175	145	ARV Bldgs.	175		10	7.9	1.4	12.4
‡	F.P.	—	£23⅛	£21⅝	BankAmericaCrp$5.125	£23	+⅛	$1.14	—	1.7	—
120	F.P.	—	137	125	Beazer (CH) 10p	132	+1	b4.63	2.1	6.8	9.7
72p	F.P.	3/8	121	105	Bejam Group (10p)	110	+1	b4.24	1.8	3.1	25.2
14	F.P.	—	16¼	14½	Bridge Bros. 10p	15¾		b1.2	1.7	7.6	11.1
‡	F.P.	—	69½	58	Chairmans (10p)	58		3.55	T1.7	8.6	6.8
‡	F.P.	—	£167½	£146½	IBM (US$5)	£153	+1	$5.2	—	1.2	—
‡	F.P.	—	254	195	Int. Inv Tst. of Jersey	240		5½	1.0	2.3	11
51	F.P.	—	63	59	Jones Group (10p)	59		b31	1.6	5.2	11
40	F.P.	8/8	47	35	Lookers	42		b08	2.1	5.8	10.1
45p	F.P.	30/8	172	158	Sainsbury (J.)	167	+1	b4.16	1.7	3.4	24.1
60	F.P.	31/8	65	52	Smith Bros.	62		b4.12	2.2	8.2	8.0
‡	F.P.	—	£12½	£11¼	TRW ($1.25)	£12⅜	+⅛	$1.81	—	2.8	—
‡	F.P.	—	£121½	986	Universal Oil Prod. $1	987½		—	—	—	—
18	F.P.	10/8	18	17½	Vantage Secs. (10p)	17½		25.4	1.0	3.1	31.7
46	F.P.	—	58	49	Wearwell (5p)	54	+5	b2.2	1.7	6.5	12.9

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price £	+ or −
‡	F.P.	—	72p	70p	Boulton (Wm.) 8% Cum. Red. Prf.	70p	
‡	F.P.	—	97½	95	Carding Invs. 9½% Gtd. Cnv. Uns. 1993	95	
‡	F.P.	—	88	72	Ledar Bldgs. 8% Cons. St. 88/93	72	−5
♦	F.P.	—	104½	99	Coalt 10% Cnv. Uns. 85/88	102	
‡	F.P.	24/8	94½	90	Grendon Trust 11% Uns. 78/81	90½	
‡	F.P.	—	97	95	Lloyds Bank 7½% Cnv. Uns. Sub. Ln. 1994	97	+½
‡	F.P.	—	91	91	Midland Bank 10¾% Sub. Ord. Uns. 93/98	91	
‡	F.P.	—	94	91¼	Do. 7½% Cnv. Sub. Ord. Uns. 83/93	94	+1¼
‡	F.P.	—	85½	80	Notts. Man. 9½% Conv. 85/90	80	−1
£95	£10	—	9¼	8½	Rickm'nsw'th & Uxb'dge Water 7% Red. Prf '78	8¾	
£100	F.P.	—	98¼	80	Rolls-Royce Motors 8% Cnv. Uns Ln. 97/2002	80½	
‡	F.P.	—	101	97	Smiths Inds. 7½% Cnv. 85/90	97	
♥	F.P.	—	102	97½	Steel Bros 6½% NonCum Cnv 4th Pref 95/2005	97½	
♥	£25	—	30	26½	Tower Assets 10% Conv. Loan 1983	28½	
‡	F.P.	—	90	88	Ward White 8% Cnv. Uns. 89/92	88	

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date †	Latest Renunc. Date ‡	Stock	Closing Price p	+ or −
A91	nil	—	—	Argo Invs.	55pm	
28	F.P.	—	—	Chambers & Fargus	nil	
25	F.P.	—	—	Lamont (James H.)	31	
50	nil	6/8	14/9	Oceana Cons.	50	
60	F.P.	—	—	Rosedale Inds.	57	−2
10	nil	—	—	Smith Holdings (Whitworth)	2½pm	
160	F.P.	—	—	Smurfit (J.)	163	+1
98	F.P.	—	—	Trust Bk. Africa	3pm	

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital; cover based on dividend on full capital. *p**** Pence unless otherwise indicated. ‡ Figures based on prospectus or official estimates for 1973. P Figures based on prospectus or other official estimates for 1971. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

AEG has 'positive' profit expectations

BY ANDREW HARGRAVE FRANKFURT, August 30.

AEG TELEFUNKEN, the major German electrical and electronic group, reports improved performance all round for the first half of this year, with "positive profit expectations, barring unforeseen events for 1973."

Liquid assets, source of some concern in German financial circles recently, were, at DM.870m. on June 30, more than twice the figure in June, 1972, and, the report adds, as extensive credits were available, "the financing of our business is assured." The report does not make it clear whether the figure refers to the German parent company or the international group as a whole. According to last year's annual report, the former's liquid assets stood at DM.843m. and the latter's at DM.925m. at the end of the year.

Gross profits (not quantified) improved "according to expectation," the report says, particularly in the entertainment electronics and components sectors. It was the first sector's heavy losses in 1971 and 1972 which led, among others, to lower profits in both years and reduced the dividend to 10 per cent. after 16 per cent. paid in the previous seven years).

Sales in the first half-year rose by 9 per cent. compared with the same period last year, to DM5,200m. Those outside Germany, about one-third of the total, expanded at a rate of 15 per cent. while home sales were up by 6 per cent. This resulted in a better utilisation of capacity in all sectors.

The order intake increased by 14 per cent. (again new orders from abroad rising at a higher rate, by 27 per cent.) to DM5,900m., suggesting that the management's forecast of a DM12,000m. order intake in the full year may well be realised. Improved sales, the management says, were largely due to an expansion in consumer goods, because the revival in demand for capital goods had not yet been felt.

Investment was down by 7 per cent. (to DM160m.) in the first half-year and is now running very much below the level of 1969-71. Rationalisation and new products absorbed most of the funds. The labour force, at 169,700, increased by 3 per cent., but this was largely due to the group acquiring a majority holding in the washing machines company Hermann Zanker, of Tuebingen.

Domestic labour costs, the report says, rose by 12 per cent. in the first half-year.

Mannesmann stagnates

BY ANDREW HARGRAVE FRANKFURT, August 30.

IN SPITE of a substantial increase in the order book, the major West German steel and engineering concern Mannesmann complains of "unsatisfactory" half-year results. Main reasons are rising costs and insufficient revenue which has kept the results only at the level of the same period last year.

The interim report published to-day adds that even last year orders had to be booked at unsatisfactory prices to ensure the workload. These had to be carried out at costs inflated by additional wages and other costs. But an improvement in the second half of 1973 was forecast by Dr. Egon Overbeck, the executive chairman, at the annual meeting last month.

Overall sales of the group were up 14 per cent. to DM3,769m. in the first half-year compared with the same period in 1972. Exports formed 38 per cent. of the total, recording a 10 per cent. increase. The figure does not include the sales of Demag, the machine tool concern in which Mannesmann acquired a majority holding. The merger has already been approved by the European Commission.

Most selectors of the Group's activities shared in the increase in sales (large diameter pipes were the only area showing a decline). In the engineering sector new orders were at a level 18 per cent. higher than in the same period last year.

In 1972 Mannesmann made a profit of DM96m., DM10m. higher than in the previous year but DM35m. down on 1970.

AKZO PLANT FOR INDONESIA

By Michael Van Os

AMSTERDAM, August 30.

A four-month study by experts of Akzo Zout Chemiehas revealed the feasibility of a large modern sea salt plant in Indonesia. Such a plant would be on the mainstays of the Djakarta Government's industrialisation plans which provides for the establishment of a chemical industry by 1980.

Financed by the Dutch authorities, the feasibility study recommendation to the Indonesian Government says that the plant could be built on the eastern side of Madura Island near the town of Sumenep and have an annual production capacity of about 300,000 tons.

The project would require investments totalling an estimated Fls.12m.

Japanese arrange $50m. loan for Iran

By Mary Campbell

THE IRANIAN Industrial and Mining Development Bank has borrowed $50m. from a group of 23 banks from Japan, the U.S. and Europe. The loan is for 12 years and has been managed by Sumitomo Bank and Industrial Bank of Japan. The money will be used to finance industrial development projects.

Meanwhile, Long Term Credit Bank of Japan has taken a 4.8 per cent. stake in Development and Investment Bank of Iran. Total foreign bank shareholdings in this institution, which was set up last June with an authorised capital of 2.1m. rials, now amount to 19 per cent. The other foreign shareholders are First Boston, Mellon National Bank and Dresdner Bank.

ENI borrows another $50m.

By Mary Campbell

THE NASSAU subsidiary of Ente Nazionale Idrocarburi Tradinvest Bank and Trust has borrowed a further $50m. for ten years from a group of Japanese banks.

The spreads over the London Eurodollar interbank rate are the same as for the last loan, announced a few days ago: ⅞ of one per cent. for the first five years, ¾ for the next three years and ⅞ for the last two.

It will be used to finance a natural gas project in Europe.

Spanish yard to build gas tankers

By Our Own Correspondent

MADRID, August 30.

CRINAVIS, a new shipbuilding company that will specialise in the construction of liquid gas tankershas been formed by the two Madrid based industrial investment banks—Bankunion and Induban — together with the Bilbao-based Sener engineering firm and the Liga Financiera SA which operates in close contact with Chase Manhattan and other international banks.

Crinavis will invest about £14m. in new shipyards at Algeciras, near the Gibraltar border.

Mr. 9ristotle Onassis, who in the has had several contacts with the Sener engineering firm and in recent weeks visited southern Spain, has reportedly placed placed orders with the new company.

Investment doubled in Greek car plant

BY OUR OWN CORRESPONDENT ATHENS, August 30.

INITIAL INVESTMENT in the car plant to be established in Volos, central Greece, by the French Renault and Peugeot companies has been raised from $6.7m. to $13.9m. under a modified contract published in the Official Gazette to-day. The Greek State's participation in the project remains 51 per cent.

The amendments to the original agreement between the Greek State and the French companies signed on July 27, 1971, also link export commitments to local sales. Commencement of production, which had been scheduled for February 1973, has now been extended to February 1975. The delay was caused after all parties concerned realised that the original investment was too small for the undertaking.

The share capital of Societe Hellenique de Construction Automobile (SOHECA), the Greek company formed to implement the project, remains at $2m.

In the revised contract, the French companies' export commitment begins from the third year of production and they undertake to export the equivalent of 10 per cent. of their sales in Greece for up to 20,000 cars, rising to 15 per cent. of local sales for between 20,000 and 25,000 cars and 20 per cent. for local sales exceeding 25,000 cars.

The first passenger car models scheduled to be manufactured by the plant are the Renault R-5 and R-12, the Peugeot 504 and a new model to be announced. At a later stage the plant will also manufacture pick-ups, station wagons and vans of less than 1.5 tons.

Rescue plan for Italian electrical unit

By Peter Tumiati

ROME, August 30.

A NEW company called Gela has been formed by the State-controlled industrial salvage organisation Gepi and the highly successful electric household appliance manufacturer Ariston Industrie Merloni of Fabriano.

A pillar of Gepi's policy is that of associating a successful manufacturer in its efforts to nurse back to health an ailing company in the same field. In this case the ailing company which has been landed in Gepi's lap is called ITC of Naples, a manufacturer of refrigerators.

With the technical know-how, commercial experience and managerial success of Ariston Industrie Merloni, Gepi plans to bring about the recovery of ITC which will be managed by the new Gela company.

French to curb sugar pollution

BY RUPERT CORNWELL PARIS, August 30.

THE FRENCH GOVERNMENT'S policy of co-operating with industry to reduce pollution has borne further fruit. Following a similar agreement last year with the paper industry, France's sugar refiners have signed a formal undertaking to cut pollution by three-quarters by 1976.

The companies will invest up to Frs.100m. (£9m.) as their side of the bargain, while the Government will put up 10 per cent. of this sum. The agreement is particularly important since the country's 71 sugar refineries accounts for an estimated 16 per cent. of water pollution in France.

The new investments will go towards cleaning up existing plants rather than improving the design of ones still on the drawing board, along the same lines as the paper industry promise of 1972. On that occasion the companies pledged to spend Frs.300m. (£28m.) over five years.

The Environment Ministry is determined, however, to carry the battle further. Trial programmes to cut pollution from steel mills in the Lorraine have been launched, while it is hoped that the cement and distilling industries can be persuaded to join forces with the Government. If so, then the official goal of a 50 per cent. cut in pollution within 15 years will start to look feasible.

BARTON GROUP DEFICIENCY

By Michael Southern

SYDNEY, August 30.

THE ATTORNEY-GENERAL of New South Wales, Mr. Ken McCaw, has tabled in the State Parliament a report on the Barton group of companies which recommended that 25 companies in the group be wound up in NSW, and the activities of four others operating inter-State, also be liquidated.

The report, prepared by the Corporate Affairs Commission, estimated a deficiency of $A12m. in 18 of the companies in the intercontinental group.

The founder of the empire, Mr. Alexander Barton, is now believed to be living in Rhodesia.

Company Results

Hewlett Packard profits orders up

● Hewlett-Packard report a 31 per cent. increase in sales and a 14 per cent. increase in earnings for the third quarter of the company's fiscal year.

Sales for the third quarter ended July 31 totalled $164m. compared with $124.9m. for the corresponding quarter of fiscal 1972. Net earnings amounted to $10.5m. compared with earnings of $9.25m. during last year's third quarter.

Mr. David Packard, Board chairman, said the company's incoming orders for the quarter amounted to $198.60m., a gain of 45 per cent. over orders of $137.3m. booked in the corresponding period of 1972.

● Societe Bic first half profit rose 34.2 per cent. to Frs.15.8m. (11.8m.). Sales were Frs.209.7m. (155.6m.).

● E Long Industries profit for year ending June 30 rose to $A546,104 ($A391,122). Annual dividend is 15 per cent. (14 per cent.). The company is a Sydney-based builder.

● Real Estate Corporation of South Africa announce interim dividend of 12 cents in respect of nine month period to December 31.

● Speedo Holdings of Sydney reported after-tax net operating profit of $A741,787 ($A495,104) for the year to June 30. Final dividend was 8½ per cent. making 16 per cent. for year (15 per cent.). Directors said trading has been "extremely good" although revaluation of the Australian dollar and devaluation of the U.S. dollar had an adverse effect on contributions from the U.S. and U.K.

● FNCB-Waltons Corporation, equally owned by First National City Bank, of New York, and Waltons Ltd., an Australian department store chain, reported profit for the year ended July 31 rose to $A2,937,585 ($A2,141,443) a year earlier. Group consolidated assets increased to $A236.4m. at the end of July from $202.5m. a year earlier.

● Textron declared an increased quarterly dividend of 25 cents a share, payable on October 1 to stock of record on September 15. Previously, it paid 24 cents quarterly.

● Utah International third quarter profit rose to $14.7m. ($9.7m.) or 51 cents a share (34 cents) on sales of $82.7m. ($52m.).

● Varta RG is confident the group will achieve a satisfactory 1973 result although targets were not reached in the first six months, the company said in a shareholders letter.

Group turnover rose 9 per cent. in the first half (DM967m. in 1972) with the increase evenly distributed over all sectors. Exports rose 16.3 per cent. in the period.

● Bendix is paying a same again quarterly dividend of 40 cents per share.

Other News

Dai-Ichi Bank gets Amsterdam listing

● Dai-Ichi Kangyo Bank will be listed on the Amsterdam Stock Exchange in the form of Continental depositary receipts, each representing 100 shares, the introduction consortium said.

● BMW has formed its own car leasing firm "Auto Motor Leasing." Drivers will be able to hire cars at any BMW dealer or direct through the new firm here or in Frankfurt, it added. BMW noted about 20 per cent. of new cars are leased each year in the U.S. instead of bought and said the practice is growing in Europe.

● Nordostschweizerische Kraftwerke will float a Sw.Frs.35m. six per cent. 15-year loan at 101 per cent. from September 3 to 7, the underwriting consortium confirmed. The company has reserved Sw.Frs.5.2m. of the loan for its own purposes, and the remainder will be offered for public subscription.

● Casio Computer Co. of Japan will be listed on the Amsterdam Stock Exchange, Bank Mees En Hope NV said.

● A Hungarian consortium bank has opened in London. Called Hungarian International Bank, it has a paid-up capital of £1m. National Bank of Hungary holds 60 per cent. directly and a further 10 per cent. through its Vienna subsidiary, Central Wechsel und Creditbank.

The other shareholders are Hungarian Foreign Trade Bank (15 per cent.) and National Savings Bank, Budapest (15 per cent.). The representative office of National Bank of Hungary h[as] been closed.

● Dupont Canada is doubl[ing] production of Dacron polyes[ter] yarn at its Kingston plant, Ontario. New spinning te[ch]nology developed by the U[.S.] parent will be incorporat[ed]. Expanded capacity will be re[ady] in about eighteen months.

● Braniff Airlines application [to] form a holding company recei[ved] initial approval from Civil Ae[ro]nautics Board Administrative L[aw] Judge Robert Seaver. Bra[niff] asked for permission to form [a] holding company which wo[uld] include the airline and three s[ub]sidiary companies. The deci[sion] is subject to appeal to the five-member Board. The Bo[ard] usually upholds decisions of administrative judges.

● Aardal Og Sunndal Verk['s] Board approved plans [for] increasing capacity to 450,000 [tons] of crude aluminium a year f[rom] 330,000 tons by the end of 1[...] Total costs are estimated [at] Crowns950m.

● Sogene SPA., a leading Ita[lian] building company, said Wed[nes]day it would ask shareholder[s to] approve a capital increase [to] Lire5,000m. from Lire1,0[...]. Sogene, which is controlled [by] Generale Immobiliare Roma, [the] big real estate group by finan[cier] Michele Sindona, had net pr[ofit of] Lire583m. last year. Sogene, a[ctive] overseas, has several cons[truc]tion projects under way in A[...] and is making a tender for [con]struction of an international port at Lisbon.

SELECTED EURODOLLAR BOND PRICE[S]

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Anglo American 7¾pc 1987	98	99
Ashland 8pc 1987	93½	94½
Bluebell 7¾pc 1987	87½	88½
British Land 8pc 1987	91	92
Cadbury Schwps. 7¾pc 1990	89	90
Carrier 8pc 1987	93½	94½
Consd. Foods 7¾pc 1991	89	90
Cutler Hammer 8pc 1987	94½	95½
Denmark 7¾pc 1990	88½	89½
Fisons 8½pc 1987	94	95
General Cable 8½pc 1987	93½	94½
Grand Met. 7½pc 1987	86½	87½
Guardian RE 8pc 1987	93	94
Gutehoffnungshu'te 7½pc '88	89	90
Hambros 7¾pc 1987	93	94
Hamersley 9pc 1987	90½	91½
ICI 7¾pc 1992	89	90
Kleinwort Benson 8¼pc 1987	96	97
Legal and Genl. 7¾pc 1988	90	91
MEPC 8pc 1991	89	90
Michelin 7¾pc 1988	90	91
Nat. and Grindlays 7¾pc '87	91	92
RBM Intl. 8pc 1988	91½	92½
Prov. of Quebec 7¾pc 1988	89	90
Shell Intl. 8pc 1988	96	97
Slough 8pc 1988	88½	89½
South Africa 7¾pc 1987	88½	89½
Standard Oil (Ind.) 6¾pc '88	98½	99½
Tenneco 7¾pc 1987	89	90
Town and City 8pc 1987	89½	90½
Volvo 8pc 1987	94	95
Wellcome 8¾pc 1987	94½	95½
Williams & Glyn's 8½pc '87	96	97
NOTES		
Bank of Tokyo 7¾pc 1978	98	[illegible]
Barclays 7¾pc 1978	97	98
Du Pont 7¾pc 1978	96¾	97¾
Esso Intl. 7¾pc 1978	95	96
First Chicago 7pc 1980	91½	92½
General Motors 8¾pc 1978	100½	101½
Rockwell Intl. 7¾pc 1979	94	95
Tenneco 7¾pc 1979	91½	92½

Source: White Weld Securities.

CONVERTIBLES	Bid
American Express 4¼pc '87	114
American Motors 6pc 1992	93
Amoco 5½pc 1984	100½
Beatrice Foods 4½pc 1992	99½
Borden 5pc 1992	90½
Broadway Hale 4¼pc 1987	90½
Carnation 4pc 1987	92½
Continental Tel. 5¼pc 1988	99
Damon 5¼pc 1987	78
Dart 4¾pc 1987	104
Eaton 5pc 1987	81
Economic Labs. 4½pc 1987	99½
Ford 6pc 1986	96½
Ford 5pc 1988	88½
General Electric 4¼pc 1987	97
Gillette 4¾pc 1987	101½
Gould 5pc 1987	80
Halliburton 4¼pc 1987	132
Harris 5pc 1992	79
Hitachi 6¼pc 1984	177
Honeywell 6pc 1986	109
ITT 4¼pc 1987	78½
Komatsu 6½pc 1984	139
J. Ray McDermott 4¾pc '87	114½
Masco 4½pc 1987	91
Mitsubishi Elec. 7pc 1985	231
J. P. Morgan 4¼pc 1987	125
Owens Illinois 4½pc 1987	94
J. C. Penney 4¼pc 1987	105
Rank 4½pc 1981	88
Revlon 4¾pc 1987	96
Sime Darby 5¼pc 1988	89½
Slater Walker 5¾pc 1987	80
Sperry Rand 4¼pc 1987	102½
Squibb 4¼pc 1987	89
Texaco 4¾pc 1988	83
Toshiba 6½pc 1985	204
Union Carbide 4½pc 1982	98½
Warner Lambert 4¼pc 1987	107½
Warner Lambert 4¼pc 1988	88½

Source: Kidder, Peabody Securit[ies].

U.K. COMPANY NEWS

Woodrow-Wyatt prospects

Prospects for Woodrow-Wyatt Holdings look encouraging and the directors expect the results for the year to March 31, 1974, to be substantially better than those of 1973/73.

As reported on July 3, group profit, before tax, for the year ended March 31, 1973, was £212,733 against a £200,000 forecast and £121,322 the previous year. The dividend is the promised 15 per cent.—10.5 per cent. net.

Regarding expansion the directors point out that in April they acquired a company at Daventry specialising in finishing operations. New equipment is being installed there in order to undertake a growing proportion of the group's binding and finishing work previously done by outwork contractors. In addition the group is undertaking work for other printers.

Capacity at Middlesbrough is being expanded by the installation currently of an 8 unit Goss Suburban heat-set press incorporating a 3 pass dryer and later in 1973 of a Goss Community press. This should add materially to the efficiency and profits of the group.

The Board is continually looking at suitable acquisitions and other avenues of expansion.

Black & Edgington upsurge

GROUP TURNOVER of Black and Edgington expanded from £3.7m. to £6.4m. and pre-tax profit was almost doubled at £417,000 for the 36 weeks to June 9, 1973.

And the directors state that current indications are that the year's profit will show a "satisfactory increase" over the £584,731 for the 53 weeks to September 30, 1972.

The remainder of the year will, as usual, be a period of higher profitability due to the seasonal nature of the camping business. Present trading of new acquisitions is good, the directors report. The company manufactures tents, marquees, etc.

Mr. Robin Duthie, chairman, says the recent sterling devaluation in relation to other currencies, while increasing the cost of imported materials, has effectively reduced selling prices to Europe, giving a "significant export advantage which we aim to exploit."

An interim dividend of 4.41 per cent. net, equal to 6.3 per cent., against 6 per cent., is declared. The 1971-72 total was 13.08 per cent.

Net profit for the 36 weeks was £229,000 (£137,000), after tax of £188,000 (£73,000). The results incorporate those of the Mitchell Group for 28 weeks.

A revaluation of premises as at September 29 has been commissioned and the revised figures will be included in the accounts.

No pessimism at J. Dykes

Mr. Harold Dykes, chairman of J. Dykes (Holdings), Glasgow-based upholstered furniture makers, told shareholders at the annual meeting that he saw nothing on the horizon to cause pessimism of any kind.

Turnover was substantially greater than a year ago and when the new factory which was just coming into production at Queenslie, Glasgow, was fully operational next year output would be greatly increased. The present labour force of around 1,000 would rise by up to 200.

The meeting approved resolutions increasing the capital to £1.25m. by the creation of 1.5m. Ordinary shares of 25p each, and making a two-for-one scrip issue.

Cooper Ind. confident

The directors of Cooper Industries are confident that results for the current year will be satisfactory, and further ahead than that, they view with equal confidence, in view of substantial expenditure in new plant, says the chairman, Mr. C. Cooper.

As reported on August 15 group pre-tax profits increased from £1,181,060 to £1,346,331 for the year to April 30, 1973, the gross dividend is 21 (20) per cent. and a one-for-one scrip issue is proposed.

A breakdown (in percentages) of turnover and contribtuion to profit shows steel re-rolling and engineering 62 and £615,308; building 13 and £353,174; bolt and washer manufacturing 25 and £377,849.

Meeting, Dudley, September 21, noon.

SANTA ROSA MILLING

Listing for Santa Rosa Milling Ordinary was cancelled from 9.30 a.m. yesterday at the request of the liquidator, who states that the ultimate sterling proceeds may not be sufficient to allow a further distribution.

Willis Faber in Middle East venture

Willis, Faber and Dumas, one of the U.K.'s largest international insurance broking firms, has joined with Middle East Airlines and Intra Investment Corp. S.A.L. in setting up a new insurance broking and underwriting firm to serve the insurance requirements "of the whole of the rapidly developing economy of the Middle East."

Called Willis Faber (Middle East) SAL, the new company is incorporated in Beirut and it intends to co-operate fully with the local insurance markets in the Middle East. It will also act as underwriting agents for certain major insurance companies.

A. G. Barr progress

Soft drink manufacturers A. G. Barr and Co. reports first half pre-tax profit of £268,000 against £321,000 on turnover £1.97m. ahead at £4.5m.

The interim dividend is held at 8 per cent. gross—5.6 per cent. net. Previous total was 26¼ per cent. paid from profit of £897,000.

The directors say considerable progress has so far been made in the reorganisation of Tizer, acquired in December, 1972. They consider the results to be satisfactory bearing in mind the immediate post-acquisition losses of Tizer and the interest on cost of acquisition.

	Half-year 1973 £000	1972 £000
Group turnover	4,449	2,482
Trading profit	285	301
Interest	17	20
Profit before tax	268	321
Taxation	95	129
Net profit	173	192

Meeting, Page 9

Alderman Securities

Alderman Securities Group chairman Mr. Derek G. Williams said at yesterday's annual meeting that new business in the current year was running at a satisfactory level and should result in a substantial increase in the total amounts receivable from customers and a higher level of profits by the end of the year.

During the past six months the Board had examined a number of proposals for the acquisition of further companies in the financial field as well as opportunities for bringing forward the development of the banking division. This was in line with the continuing policy of seeking out suitable companies to expand activities, the chairman added.

Washington Investment

Regarding the future, the chairman of the Washington Investment Company, Mr. G. F. B. Grant, says the directors believe its holdings are in companies with proven records of sound management and with good growth potential.

He points out that world currency markets are still highly unstable, but says it appears to the directors that the dollar is now undervalued against most other currencies, and they have "some confidence" that at any rate a part of last year's currency losses may be recovered by next year.

They propose, therefore, to maintain the first Swiss franc loan, which is by far the larger of the two, as it stands. Just over half of this loan, by value, is now invested in Europe and Japan.

However, since the proceeds of the second and smaller loan are still entirely invested in North America, and since exposure to currency risks must be kept to a minimum, they intend, if the dollar continues to strengthen against the Swiss franc, to convert this second loan into dollars at the first favourable opportunity.

As known, taxable earnin[gs for] the period from June 2, 1972—date of incorporation—to Jun[e] 1973, were £117,026 with a [divi]dend of 0.7p per share.

The balance-sheet shows [un]realised losses on investments [and] currency loans £1.2m.—curr[ency] loans accounted for £0.9m. of [...]

Meeting, 28, Austin Friars, [...] September 18, noon.

Credit Factoring

As part of its rapidly grow[ing] international operation, Cr[edit] Factoring International, a mem[ber] of the National Westminster B[ank] Group, has entered into part[ner]ship arrangements under wh[ich] the full scale international fac[tor]ing operations of its network [will] be extended next year thro[ugh] companies being formed in H[ong] Kong and Singapore.

In Hong Kong, the venture [will] be a joint one with the Charte[red] Bank. In Singapore, the partn[ers] will be the Chartered Bank a[nd] Pacific International Lines.

FARMING AND RAW MATERIALS

Full duty on EEC beef imports

By Loralies Olslager

WHOLESALE PRICES for beef in the nine countries of the Common Market have fallen below the level which automatically triggers off reintroduction of full duties on imports from next Monday on, Commission officials said to-day.

According to figures released to-day, the average price throughout the Community dropped to 2.85 per cent. above the guide price over the past seven days. The previous week it was 3.5 per cent. above the guide price.

Under a decision by the Council of Ministers, full duties will be reintroduced once the average wholesale price drops to 3 per cent. above the guide price.

Plan for 10% cut in coffee exports

BY ROBIN REEVES, COMMODITIES EDITOR

WORLD COFFEE exporters were expected last night to finalise plans to withhold over the coming year some 5½m. bags, or 10 per cent. of their usual exportable production.

A scheme to this effect was reported to have been agreed provisionally by the 11 leading producers in the early hours of yesterday morning and last night details were being finalised. News of the scheme resulted in some strengthening in coffee prices on the London terminal market, since the aim of the plan is to underpin the market by reducing by just over 4m. bags, the level of coffee stocks in consumers' hands. It is estimated that consumers will start the new coffee year on October 1 with stocks of at least 13m. bags, which producers consider excessive.

Market sources suggested yesterday that the scheme has a better chance of success than the previous plan which proposed a 4m. bags cut in the global quota set by the now moribund International Coffee Agreement between producers and consumers. This is because the cutback in exports is based on 10 per cent. of average exportable production over the past three years rather than the Coffee Pact basic quotas, originally set in 1962.

Furthermore, the producers apparently plan to police the retention scheme first through a new body tentatively called the Producers' Executive Board—along the lines of the Coffee Pact Executive Board—and secondly, through the services of an international company specialising in commodity services. This will keep a watch on the retained coffee in warehouses in the countries of origin and report to the Executive Board.

Producers were also discussing the possibility of continuing to issue certificates of origin which have been used to police the International Coffee Agreement quotas. But their effectiveness was based on surveillance by customs authorities in the importing countries. Now that the producing countries have broken with the consumers and are intent on managing the international coffee market themselves, they will no longer have the co-operation of importers. In short, the issue of certificates of origin is unlikely to be as effective.

It was also reported yesterday that enthusiasm for a producer-backed multi-national body to buy up excess stocks of coffee for sale in the future, is growing, particularly among African producers. They tend to have higher stocks that most Latin American producers and would apparently welcome the opportunity to exchange these stocks for cash now rather than sit on the coffee. But many details have still to be discussed before such a body could be launched.

Recovery in copper market

By John Edwards

COPPER PRICES staged a recovery on the London Metal Exchange yesterday—after two days of losses. Cash wirebars last night closed £12 higher at £797.5 a metric ton, but the cash price premium over the three months quotation narrowed by a further £2.75 to £23 against over £55 earlier in August.

A rise in the New York market was mainly responsible for the recovery in London. Kennecott Copper Corporation, the biggest U.S. producer, confirmed that a furnace breakdown at its Chino mines in New Mexico will mean delays in deliveries of fire refined copper during September and early October, but the copper is being diverted to electro-refining.

It was also reported that the Chinese were making buying inquiries, but there was no confirmation of any actual purchases. Considerable disquiet over the situation in Chile also aided sentiment.

Metallgesellschaft, the West German lead producer, withdrew yesterday the precautionary force majeure on lead deliveries from its Braubach plant declared earlier this week. The unofficial strike there has now ended. It was also confirmed that work had resumed at the Britannia Lead Company refinery in Northfleet, Kent. However, lead values were sustained by the rise in copper.

Tin prices lost ground, notably the cash quotation which fell by £25 to £1,992.5 a metric ton. There were freer offerings of cash tin, attributed to hedge selling although some quarters suspected the sales may have been made by the buffer stock of the International Tin Agreement to help relieve the present tightness of supplies.

ANIMAL FEEDINGSTUFFS

U.K. compounders find overseas markets

BY A CORRESPONDENT

THE RECENT announcement that animal feed compounders, the Colborn Group of Canterbury, are setting up a German company as part of their expansion into Europe is the latest step in a relatively new and interesting overseas development by a handful of British feed companies.

Although U.K. manufactured concentrated feed supplements have been exported world-wide for some years it is only in the last three that exports of the considerable know-how of the British compounding industry have begun seriously to develop.

Chief areas

The two other companies involved apart from the Colborn Group, are Crosfields and Spillers. Each now has a separate international division concentrating on investigating and developing compounding arrangements in — mainly — developing countries. Chief areas of activity at the moment are the Near and Middle East, with Greece, Cyprus, Libya, Kuwait and Jordan the favourites. But between them the area of development extends to East and West Africa, South America, South-East Asia and the West Indies.

In all these areas the food demands of an increasingly affluent population can no longer be met by old production methods and the need for more highly geared systems of egg and pig and poultry meat production is becoming increasingly urgent.

In most cases, initial contact has been made with the sale of feed concentrates or supplements—containing highly formulated vitamins, minerals, proteins and trace elements designed to be mixed with locally-grown bulk feed materials—to local companies. This has usually developed into an agency arrangement but is now being extended to much more specific developments ranging from advice on nutritional and feed manufacturing problems to complete assessment of the market, design and construction of a feed production mill, intensive livestock production unit or food processing plant, even down to recycling of meat-processing by-products.

Financial arrangements vary considerably, depending on the relationship with the local organisation and even the stability of the political situation. But it can range from a licensing "know-how" agreement, usually for a minimum of seven years, to a joint venture partially financed by the British partner.

The Colborn Group set up its international division in 1969. Turnover has risen since then from about £20,000 to nearly £500,000 this year. Until very recently the group believed that their main area of development was in emerging countries with the exception of Australia where a jointly-owned feed supplement mill set up with international shippers, Louis Dreyfus, now has a useful turnover of £100,000 a year.

However, the possibility of concentrating on countries nearer home came with the unexpected discovery that, in certain aspects, feed compounding expertise in West Germany is some years behind that of the U.K. Investigating some problems with a customer's turkey unit in Germany, the company discovered the fault was a nutritional one. Having put it right, it was besieged with requests for advice from other local producers.

Colborn's believe that the reason for the relatively less sophisticated state of German feed compounding is the result of a smaller and more fragmented farming pattern which has not had to cope with the economic nutritional and environmental problems of our large-scale intensive pig and poultry units.

The new German company, Colborn GmbH, Vitamine und Wirkstoffe, will operate along the lines of its U.K. parent; providing large-scale producers and local compounders with a continuing nutritional advisory service covering both feeding and livestock husbandry. Already another company is being set up in Austria along similar lines and Colborn's are planning to set up poultry trial facilities to provide local information for their customers.

A basically similar service is also provided by Crosfields and Spillers and all three companies believe success lies in working closely with a local organisation, combining management and technical expertise with local knowledge.

Crosfields who are the newest of the three in the field—its international division was formally established only last year—specialises in designing and supervising the construction of feed production plants. This begins with researching the market, designing a unit to suit the needs of the area and training the staff to run it. Actual involvement can range from a licensing "know-how" arrangement to financial investment in joint ventures.

The development of Spillers International division, which includes 24.5 per cent. ownership of the National Milling Company of Livingstone, 50 per cent. of the Rhodesian Milling Company, Salisbury, and 51 per cent. of Spillers SAL in Beirut, has also included involvement in livestock production units with the sale of feed concentrates, expanding into "modest" investments in breeding flocks, hatcheries, egg-laying and broiler units. The latest venture is a jointly-owned concentrate mill in Greece.

Export ban on hard wheat products

By Our Own Correspondent

BRUSSELS, August 30.

THE EUROPEAN Commission to-day banned, with immediate effect, exports of hard wheat products to protect domestic supplies. Exports of hard wheat itself have been banned since August 4, but in view of the continuing high level of world market prices the Commission feels that an export ban on transformed products is also needed, officials said.

The new ban is needed to remove the temptation before community exporters to transform hard wheat into flour, semolina and groats and export these, the officials added.

Ghana to cut cocoa dependence

BY CAMERON DUODO

ACCRA, August 30.

THE Ghana Government, in its budget for 1973/74 issued here to-day, makes no changes in export duty on cocoa. But the government says it will attempt "systematically to attack the excessive dependence of government fiscal operations on revenue derived from cocoa.

New changes are announced in export duty on timber. Whereas in the past there were a number of rates differing largely according to the species of timber exported, there will now be an ad valorem duty of 10 per cent. on all logs exported. Sawn timber—plywood and other processed woods—will be totally exempt from duty.

The budget statement says of the new measure "in this way it is hoped to encourage the production of plywood and especially to foster the recent development whereby local manufacturers are beginning to export furniture parts."

The statement adds that the proceeds from the new rates of duty would be used partly to continue the heavy investment the Government is making in the afforestation programme.

UK harvest 'to total 14.75m. tons'

This year's grain harvest should total 14.75m. tons, some ½m. tons lower than last year's record of 15.25m. tons, but still above the average of the past five years, it was predicted yesterday.

The estimate was by Mr. John Powling, managing director of Farm Seeds. He suggested that the near-perfect conditions for planting last autumn and spring showed promise in June of a record crop of more than 16m. tons. But the rainstorms in July he reckoned had damaged 2m. tons.

Aluminium labour contract agreed

BY OUR OWN CORRESPONDENT

MONTREAL, August 30.

ALCAN ALUMINIUM has now signed a new labour contract with nearly 8,000 employees at its Quebec plants, including the big Arvida smelter.

The contract was agreed on August 17, but the unions refused to sign after the company sacked 48 employees for unspecified reasons. Alcan has now placed the men on indefinite suspension pending action through grievance procedures in the new contract.

The contract gives the men a $1.25 increase over 33 months.

Workers on the company-owned railway which ships bauxite from Port Alfred to the Arvida alumina plant and takes the metal out from the smelter are still on strike. But it is expected this dispute will be settled now in a short time. Metal is now being transported.

During the labour troubles it is estimated Alcan will have lost production from five potlines, which normally produce at 115,000 tons a year. The declaration of force majeure for the last half of 1973, announced earlier this week, stays in force.

Work will start shortly on putting back the shutdown potlines into production.

John Edwards writes: The continuation of force majeure by the parent company will presumably mean that the cutback in Alcan deliveries to U.K. customers will go ahead, although the ending of the stoppage should help reduce the extent of the cutbacks.

The free market for aluminium in London yesterday moved up again to a range of £305-£310 a ton, £5 higher than previously and substantially above the official producer price of £260.

Brazil sugar for Japan

BRAZIL has sold a further 300,000 metric tons of raw sugar to Japan for 1974-78 shipment, a spokesman for the Sugar and Alcohol Institute in Rio de Janeiro said yesterday.

The sale was a direct one by the institute to Taiyo Refinery, the spokesman said. The price was not disclosed.

Earlier this month the institute sold 250,000 tons to C. Itoh for 1974-76 shipment.

Reuter

Wool substitution warning

BY OUR COMMODITIES STAFF

A WARNING that competition between wool and man-made fibres will intensify as result of recent wool price instability is given in the annual report of the British Wool Marketing Board published to-day.

The report points out that during the past year world prices swept upwards to reach a peak in March 1973 at a level higher than in the Korean War boom of 1950-51. Prices changes were magnified by the fact that the rise started from the slump situation of 1971, when merino wool prices were the lowest for 25 years.

Moreover, at certain periods, prices fluctuated up or down 30 per cent. or more within the space of a few days. Although British wool prices were less unstable than those of overseas wool, they nevertheless rose by over 100 per cent. between April 1972 and April 1973.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained ground for the first time this week on the London Metal Exchange. Prices opened on a firmer note in line with the overnight performance of the U.S. market with forward metal being traded here at £774 in pre-market dealings. In the Ring the price rose to £780, helped by reported Chinese inquiry, although no business was thought to have been concluded with that quarter, and it then fell back to £778. In the afternoon Comex continued its upward movement and forward metal picked up to £782 here before ending at £778 on the afternoon Kerb. Little consumer demand was reported. The backwardation narrowed again, reflecting the high cost of financing stocks. Turnover, 15,700 metric tons.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Wirebars				
Cash	799-800	+21.5	797-8	+12
3 months	775-6	+21	776-7	+14½
Settlem't	800	+21	—	......
Cathodes				
Cash	764-5	+18.5	767-9	+14
3 months	750-1	+21.5	755-6	+17.5
Settlem't	765	+18	—	......
U.S. Smt.	—	......	*60-60¼	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £803, 02, 800, early Sept. £800, early Oct. £793, three months £775 to 78, 77, 76. Cathodes: cash £763, 64, 65, 64, three months £751, 50. Kerbs: Bars: early Sept. £799, 98, three months £775, 74, 73. Cathodes: three months £750. Afternoon: Wirebars: cash £798, three months £779 to 82 to 78. Kerbs: Bars: late Oct. £790, three months £775 to 73.5 to 75. Cathodes: three months £752.

TIN—Cash metal fell sharply, reflecting broker offerings of metal which, in some quarters, were thought to have been on behalf of the buffer stock manager. Forward metal eased in sympathy. Turnover, 445 tons.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	2000-5	—5	1990-5	—25
3 months	1980-1	+5	1976-8	—4
S'ment	2005	—5	—	......
Straits E.	18569	+1½	—	......
New York	[illegible]		[illegible]	

[illegible]

LEAD [illegible]

ZINC [illegible]

SILVER [illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SUGAR

[illegible]

COCOA

[illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible] ... 0.50. Courgettes—Per 10 lbs 0.40. Onions—Per 56-lb nets 1.10, Picklers 56 lbs 0.90-1.10. Corn Cobs—Per 14, 0.35-0.40. Parsnips—Per 28 lbs 0.50-0.60. Greengages—Per pound 0.11-0.12. Pears—Per pound, Williams 0.05-0.06, Dr. Jules 0.04-0.05. Cobnuts—Kent, per pound 0.25.

LIVERPOOL COTTON—Spot and shipment sales amounted to 312 metric tons, bringing the total for the week so far to 544 tons. Slightly free off-take reflected the need for spinners to undertake replenishment business. Middle Eastern growths again attracted attention with minor support in South American and African qualities, F. W. Tattersall reports.

COPRA—Philippines/Indonesian (per ton) Oct.-Nov. $365 reseller.

BIG DEMAND FOR COVENT GARDEN TRADING SPACE

Covent Garden traders have applied for more than 95 per cent. of the trading areas (320,000 square feet) in the new fruit and vegetable market, nearing completion at Nine Elms, Battersea. There has also been strong demand for the associated office space.

Mr. C. M. G. Allen, Covent Garden Market Authority general manager, stated this when speaking to the traders yesterday at the ballot for positions.

CHILE COPPER WAGE TALKS

The Chilean Government is to begin new wage talks with the copper miners, State Copper Corporation officials said yesterday. They feared a new strike wave in the copper mines if negotiations deadlocked.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 30 1973	+ or —	Month ago
Metals			
Aluminum (x)	£250	......	£250
Free market cif	£305/10	+5	£290
Copper ϕ			
Cash Wire Bars (x)	£797.5	+12	£846.5
3 months do. do. (x)	£776.5	+14.75	£814.5
Cash Cathode (x)	£768	+14	£792.5
3 months do. do. (x)	£754	+17.5	£788.5
Gold......Troy oz.	$105	—2.25	$117.5
Lead Cash (w) §	£175.25	+.75	£187
3 months (x)	£181.875	+1.825	£191.5
Nickel (x)	£1,351	......	£1,332
Free market cif (lb)	$1.50.57	......	$1.50-57
Platinum (b) troy oz.	£84.5-6.5	......	£63.66
Free market	£65.75-6.75	+.75	£66-70
Quicksilver (76lb) z	$108-12	—1	£110.4
Silver Troy oz.	105.7p	+2	115.9p
3 months	110.5p	+2	119.5p
Tin Cash (w)§	£1,992.5	—25	£2,047.5
3 months (x)	£1,977	—4	£2,029
Wolfram 22.04 lb. cif	£17.8-8.5	+.15	£16½-17¼
Zinc Cash (x) §	£373	+3.5	£374
3 months (x)	£375	+2	£371.75
Producer (x)	£190.220	......	£190-220
Oils			
Coconut Malayan	‡	......	†
Groundnut 5%	£257	......	£345
Linseed Crude	£469	......	†
Palm Malayan	†	......	£194
Soyabean (y)	‡	......	‡
Seeds			
Copra Philipp'ton	$365	—5	$435
Gr'nuts Nigerian	£188	......	£201
Linseed Can No. 1	‡	......	‡
Grains			
Barley French	†	......	†
Home Futures	£60.60	+2.35	£49.45
Maize			
No. 3 Yellow Am	£58.75(p)	—0.25	£56.8
S.A. Yellow Flint	‡	......	‡
Wheat			
No.1 Red Spring	‡	......	‡
No.2 Hard Winter	‡	......	‡
Australian (f.aq.)	‡	......	‡
English Milling	£58(p)	......	£56.60
Cocoa Shipment (u)	£586	—2	£945
futures Dec.	£545.75	+2.25	£862.5
Coffee Shipment (c)	49.00	......	49.00
futures Nov.	£424.25	+3.75	£411.25
Cotton 'A' Index			
c.i.f. L'pool cent./lb	83.05*	+0.30	69.60
Jute LJABWC (d)	†£146	......	£146
Rubber......kilo	56p	+1	57.5p
Sisal BA 3L (x)	£245	......	£225
Sugar	£91.5	+2.5	£99
Wooltops 64s...kilo	298p	—2	308p
Cloves (Madagascar)	£1710	......	£1,700
Pepper White...ton	£850	......	£940
" Black...ton	£645	......	£645

* Nominal. † Seller. § Unofficial close. ϕ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. w Ex warehouse. x C.i.f. U.K. u Metric tons. n Sept.-Dec. z Aug. y June-July. r Aug.-Sept. t July-Aug. p Sept. v Oct.-Nov. q Jan. s Sept.-Oct.

INDICES

FINANCIAL TIMES

Aug. 30	Aug. 29	Month ago	Year ago
185.60	186.56	187.37	96.02

(Base, July 1, 1952=100)

REUTER'S

Aug. 30	Aug. 29	Month ago	Year ago
1179.4	1172.8	1126.8	600.2

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 30	Aug. 29	Month ago	Year ago
Spot	317.25	316.54	278.61	167.11
Futures	301.30	302.01	266.86	157.21

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 30	Aug. 29	Month ago	Year ago
Sple Commt'y	654.2	661.1	644.6	429.8

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, August 30.

COCOA TRADED aimlessly in featureless conditions to close slightly lower on chartist selling. Copper rallied strongly, touching speculative stops before profit-taking found market extended and eased [illegible]

[illegible]

Soyabean Meal—Sept. 229.50 asked (244.50 bid), Oct. 224.00-232.00 (237.50), Dec. 221.00, Jan. 219.00-220.00, March 219.00-220.00, May 215.00, July 217.50-217.00.

Soyabean Oil—Sept. 24.17 asked (25.17), Oct. 19.10-19.15 (19.45), Dec. 17.25, Jan. 16.95-16.90, March 16.75-16.70, May 16.60-16.55, July 16.45-16.50.

Sugar—Contract No. 11 Spot 8.65 (same). Sept. 8.51-8.43 (8.74-8.73), Oct. 8.65-8.62 (8.77-8.79), March 8.36-8.37, May 8.24, July 8.14 asked, Sept. 8.05, Oct. 7.93 nom. Sales: 3,341.

Tin—235.30-242.00 asked (238.75 asked).

**Wheat—Sept. 495½ (511 bid), Dec. 482½-481 (498-497), March 472-471, May 445, July 361-358.

WINNIPEG, August 30. Rye—Oct. 235½ bid (245½ bid), Dec. 251½ bid (241½ bid), May 260 bid, July 264 bid.

Oats—Oct. 141½ bid (145), Dec. 135½ (142½ bid), May 142 nom., July 137 nom.

Barley—Oct. 230½ bid (241½), Dec. 234 bid (235½ bid), May 234½ asked, July 230 nom.

Flaxseed—Oct. 863 bid (863), Nov. 850 bid (790 bid), Dec. 842 bid, May 847 bid, July 839 asked.

Wheat—ICWRS 13.5 per cent. protein content St. Lawrence 579½ (579½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. § Cents per 56-lb bushel ex-warehouse. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse. 5,000 bushel lots. ‡‡Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. c Cents per 45-lb bushel. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ϕ New contract.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscriptions $139.80 (air freight) $243.30 (air mail) per annum. Second class postage paid at New York, N.Y.

The Property Market

BY PETER RIDDELL

Cavendish Land bid enlivens quiet week

THE MAIN event of an otherwise predictably quiet week was yesterday's news that Legal and General is to make a £45m. agreed bid for Cavendish Land. This is the third sizeable bid to be made by an insurance group for a property company in under three months—the other being the Prudential's offer for Edger and the Royal's for Sterling Estates. The rationale is fairly straightforward, since, despite the recovery of the last few months, share prices are still 13 per cent. below the peak level in January. But with recent revaluations throwing up massive surpluses most of the leading groups are now valued at large, often a third or more, discounts to asset values.

At the same time there is a continuing shortage of quality property in the market and many leading institutions are reluctant to buy with current prime yields below 4 per cent. again. Indeed the insurance companies' investment in land, and ground rents fell from £198m. to £131m. last year. The obvious solution in this situation has been to buy property in package at a discount, especially in view of the potential surplus from developments.

This is the context in which the three recent bids have been made and it has led some observers to question the continued existence of the independent development company. The key influence at present is the gap between the current high cost of borrowing and investment and development yields. Indeed the cost of long term money is now so prohibitively high that an increasing number of companies may choose to trade rather than refinance and retain. Although this is anathema to the instincts of most property men it is interesting that a number of developers I have spoken to recently have talked of their interest in acquiring earnings from some source, either by dealing or by finding some activity which combines a solid income with a strong assets base such as retailing.

The main London story of the week involves the letting by Amalgamated Investment and Property Co. of three recently completed office buildings, providing a total net area of about 165,000 square feet. The total rent is more than £800,000 a year. The largest project is a 100,000 square feet block in Old Street, E.C.1 which has been pre-let to the Post Office. Donaldsons and Chamberlain and Willows were the agents. In Turnmill Street a 30,000 square feet office block plus 20,000 square feet of residential has been pre-let to Yorke Rosenberg and Mardall. Work should be completed late next year. A further office building of 25,000 square feet is already under construction. Barrington Laurance and D. E. and J. Levy are the agents.

The third scheme is in Queen Anne's Gate where a 33,000 square feet building has been let to the Department of the Public Prosecutor. Mellersh and Harding and P. J. Broomhall and Partners were the agents. The rent was around £8.50 a square foot which underlines the strong rental growth in the Victoria Street area. This was reflected in the recent letting of New Victoria House at £9 a square foot.

Incidentally, the long lease of New Victoria House has just been sold by Grendon Securities for about £1.6m. to Hanover Property Unit Trust, the freeholder. This has worked out as quite a successful development for Hanover since the total cost of the scheme has been £3.9m., while the current market value of the building is probably at least £3m. more than this. Knight Frank and Rutley as usual advised Hanover.

Over supply of offices in Leicester

THE OFFICE market in Leicester is now passing through one of those phases, common to most provincial towns at one time or another, when the pace of development outstrips demand and there is a glut of space. A survey earlier this year showed that out of 5m. square feet of floorspace in the central area just over 600,000 square feet was empty with another 700,000 square feet under construction. While this has created considerable problems for developers with fringe schemes, well-sited, central projects are reasonably well placed.

Investment and Property Holdings, for example, has now let nearly half of its 3,600 square feet renovated office building at 142 Charles Street, near the main railway station. Rents are up to £1.63 a square foot. Jones Lang Wootton was the letting agent. IPH has also now completed and let its shopping and office scheme in Gallowtree Gate.

Another Leicester story is that four floors of a new 13-storey block at 60, Charles Street have been let at rents of more than £1.50 a square foot. The block, which has a total area of nearly 50,000 square feet, was developed by South Bank Estates with Jones Lang and J. Jarrom and Son as the agents.

The city's over-supply problem has prompted the local authority to impose restrictions on new developments of more than 15,000 square feet. These must satisfy certain criteria and either be pre-let, part of a larger complex, or on a site needing redevelopment. There are nevertheless a number of schemes already in the pipeline. Town and City, for example, has recently begun work on a 21,000 square feet office development at 19-29, Princess Street. The building should be completed in October, 1974. Bonfield Hirst and Co. is the agent. The same firm, along with Brown and Merry, will be marketing a 17,000 square feet office development in New Walk, which has recently received planning permission. Galliford Brindley Properties is the developer.

On a nearby site in Welford Road, which is adjacent to New Walk, Fawnbridge, a subsidiary of the Elkvale Group, is developing a new 20,000 square feet office scheme. Bonfield Hirst is the agent, acting jointly with Leavers. As with all the other schemes mentioned the intriguing question is whether the confidence of the current announcements will be matched by a series of successful lettings.

Investment and Property Holdings has now issued a progress report on its major schemes throughout the U.K. Almost 200,000 square feet out of 240,000 square feet nearing completion has already been let—the major pre-letting being in Dundee where the Post Office Corporation has taken 130,000 square feet. In Newbury, negotiations are already under way for the 20,000 square feet of space which will be available in the twin blocks at Robin Hood Roundabout. Conrad Ritblat and Martin and Pole are the letting agents.

Arrowcroft's industrial expansion

SEVERAL OF Arrowcroft Investment's recently announced projects have been in the office or town centre field yet it is still very active in the industrial sector, for which it was originally best known. The three main local authority partnership schemes at Chesterfield, Worsley and Ramsgate are all now making some progress and the group has recently acquired three further small sites in the southeast. At Wantage, work will start in the autumn on a 15,000 square feet pilot phase of warehousing units. Rents will be about 75p a square foot. The second scheme is at Victoria Gardens in Burgess Hill where 20,000 square feet of space is being built. The rent is likely to be more than £1 a square foot. The other project is at Alton in Hampshire, where another 20,000 square feet unit is to be developed on the Mill Lane Industrial Estate with a probable rent of about £1 a square foot.

Other industrial news is that Westminster Bunting has now completed and let 250,000 square feet of space (60,000 square feet of it new) on the 25-acre former AEI site at Woolwich. The company, which has a 125-year lease on the site from the Co-operative Insurance Society, is currently developing 120,000 square feet of new warehouse space and is renovating 120,000 square feet of existing units. About 70,000 square feet of this stage has been pre-let and when this section is completed in the next few weeks a further phase of 150,000 square feet will be developed. As in other parts of the south east there has been a strong demand for units this year—partly helped by the relatively low rent of 70p a square foot on the renovated multi-storey premises. New units are being offered at £1.25 a square foot.

In Surrey, Three Stars Properties has now let the majority of the units on its new 100,000 square feet estate at Egham. Warehouse units have just been let at about £1 a square foot—underlining the buoyancy of the market in Surrey at the moment. The only unit remaining is a 25,000 square feet refurbished factory. King and Co. and Garrard Smith are the agents.

In West London, Wilkinson Sword has sold the freehold of its factory and offices in Southfield Road, Acton, for £650,000 to Fortress Trust. And, as another part of its U.K. reorganisation programme, the company has sold the leasehold interest in an office and warehouse building of 30,000 square feet on the Great West Road, in Brentford, to the Beecham Group which occupies nearby premises. Matthews and Goodman advised Wilkinson; while Fuller Peiser acted for Beecham.

Completing the roundup of the industrial scene, General Accident has recently bought a 2.25 acre industrial site in Blackpole Road, Worcester for £380,000. The site is to be developed by Mackenzie Hill with 54,000 square feet of warehouse space which has been pre-let to part of the Wolseley-Hughes group. Donaldsons acted for General Accident.

OUT AND ABOUT

● In Sheffield, Gauntlet Developments, the commercial and office subsidiary of Slough Estates, has acquired the Grand Hotel. No price has been disclosed but planning consent has already been received for a development consisting of 157,000 square feet of office and commercial space plus parking. Work will start immediately with Eadon Lockwood and Riddle as the agent. Gauntlet, formed last year, already has office schemes in both Watford and Brussels. Other Sheffield news is that four floors of Dyson House, a Star (G.B.) scheme near the railway station, have been let to Grattan Warehouses and Buchanan Finance. This accounts for nearly half the space available in the 52,000 square feet block. The rent is understood to be about £1.25 a square foot with Jones Lang Wootton, Henry Spencer and Sons and Eadon Lockwood and Riddle as the agents.

● Telegraph Properties is to carry out a £1.5m. office development in the centre of Glasgow in partnership with Standard Life Assurance. Work has alrea[dy] started on the scheme, which [is] on a corner site at West Re[gent] Street and West Nile Street a[nd] will provide 30,000 square feet [of] air-conditioned space. Th[e] development is close to th[e] Stock Exchange. Conrad Ritbl[at] and Company and Webster an[d] Company are the letting agent[s].

● MEPC Housing, the grou[p's] recently formed residential su[b]sidiary, has bought a two-ac[re] site at Sea Walls, Clifton Do[wn], Bristol, where planning perm[is]sion has been obtained fo[r] flats. This acquisition is in [line] with the group's policy [of] developing homes in the up[per] quality and price brackets. [The] company also has residen[tial] schemes under development [at] Hastings, Bexhill, Guildfo[rd], Cooden Beach and Warsash. T[he] largest of these projects will [be] at Guildford where more th[an] 60 flats and nearly 40 maisonet[tes] are to be built on a site just [off] Portsmouth Road.

● Peterborough Developm[ent] Corporation's £400m. plans [for] the rapid expansion of the t[own] over the next decade came in [for] some stiff criticism this w[eek] from Sir Harmar Nicholls, [the] local Tory MP, who argued t[hat] the area was not prepared [for] the proposed influx of [new]comers. Nevertheless, the [plans] are moving ahead and the [cor]poration has just receive[d the] go-ahead from the Govern[ment] for another stage in its stra[tegy] —the £1m. Midgate shopping [and] office development. This sch[eme] is for two four-storey [...] blocks containing 10 new s[hops] and 57,000 square feet of of[fices]. Demolition of the existing b[uild]ings on the site has rece[ntly] been completed and buil[ding] work will begin in Novem[ber]. The shops should be comp[leted] by the end of next year, [and] the offices should be rea[dy by] the summer of 1975.

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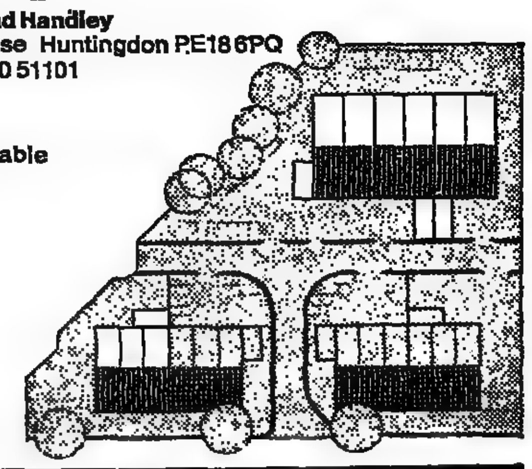

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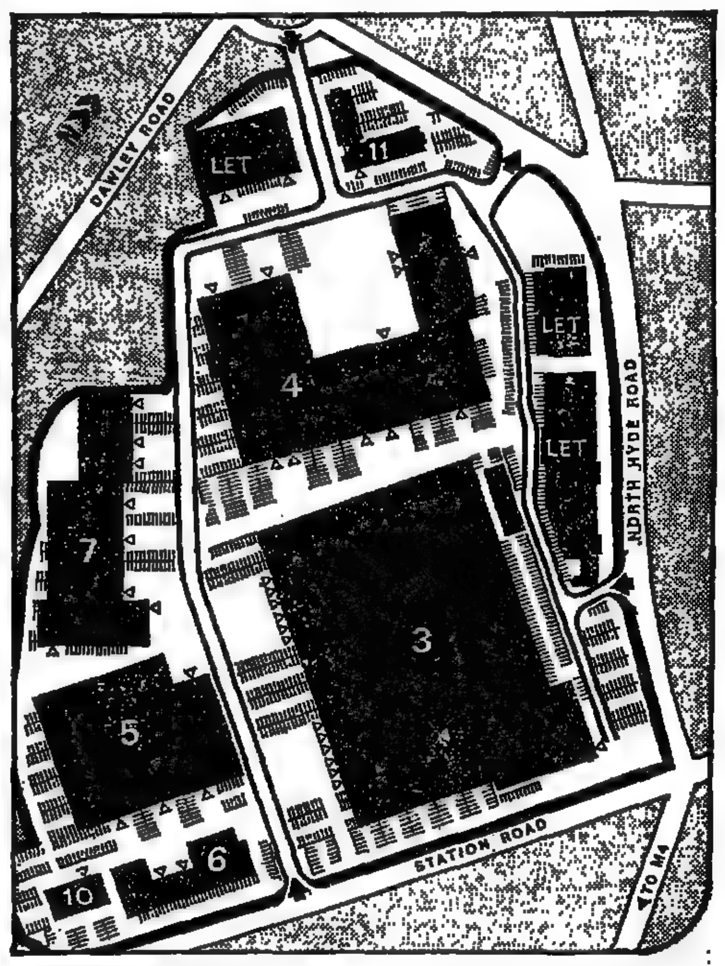

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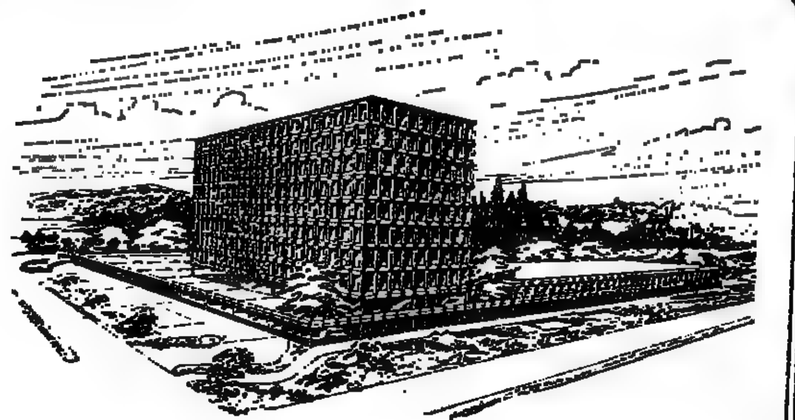

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Thursday 20th September
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Institute wants 7% earnings limit to hold prices in Phase Three

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE NEED to devise a viable Phase Three for incomes policy is the main theme of the August National Institute Economic Review.

There was nothing in the macro-economic picture at the moment either to warrant further reflation or deflation, and Phase Three was the central problem of economic policy.

Political problems

"The difficulties," says the Review, "lie less in thinking of economic devices than in the political problem of securing general acceptance of the necessary measures."

In particular, the National Institute of Economic and Social Research goes to some length to argue that in the present situation large wage increases are illusory.

According to its calculations—illustrated in the accompanying table—very large differences in wage earnings will make little difference to the final increase in real disposable income, while making the underlying inflationary situation that much worse.

"A substantial part of the price rise this year has come about as a result of sharp upward movements in world commodity prices" says the Review. "One of the most important and difficult tasks of the Government will be to explain to the negotiators and to the general public that there is little that can be done about these price increase.

"Although their impact on the poor can be alleviated by redistributive policy there is little that can be done to avoid the real burden which a sharp deterioration in the terms of trade imposes."

"It will no doubt be objected that all that is required is a larger rise in wages to more than cover the rise in prices," says the Review. "But the fallacy in this argument is to overlook the fact that higher wages will add to the *domestic* element of costs and hence prices, while leaving import costs at best unchanged.

Sterling danger

"There might be some short-term gain in real incomes as prices take time to catch up. However, the resulting loss in international competitiveness might well lead the floating pound to sink further, thus raising import prices even further in terms of sterling and eroding such small gains in real income as had been secured."

Given its point that the scope for gains in real incomes during Phase Three is largely set by "real" factors (output, productivity and the terms of trade) the NIESR illustrates the outcome for prices and real incomes on varying assumptions about wages and import prices.

It concludes: "The calculations show that quite large differences in nominal incomes produce only small changes in the outcome for real incomes.

"If the calculations also allowed for the effect of nominal rates of wage inflation on the exchange rate and hence on import prices. The differences between the real wage results would probably in the end be negligible apart from timing effects."

"Given these small differences in real terms" the Review goes on "there is a strong case for having as low a money wage rise as possible built into Phase Three.

"If average earnings could be kept down to a rise of 7 per cent. through next year, the increase in consumer prices on the basic forecast would be brought down to a rise of 4½ per cent"—compared with a forecast 9½ per cent. increase between the fourth quarter of 1972 and 1973.

There might also be some eventual rise in sterling which, by lowering import prices in sterling terms, would help to lower the inflation outcome further, says the Institute.

Easy terms

Such a 7 per cent. limit on earnings would come as a shock to most people, the Review acknowledges, but could not—on the basis of this arithmetic—be considered "tough" in real terms.

For this reason, says the NIESR, keeping the rise in money incomes as low as politically possible would not, as it might appear, be "an anti-labour policy."

"With a general earnings increase of 15 per cent., the wage-earner is only slightly, and temporarily, better off than with a general earnings increase of 7 per cent.," it says.

Indeed, allowing for the effect of the higher figure on the floating pound and import prices "it is doubtful whether there would be any real gain for the wage-earner at all.

"It will be very hard to persuade trade union negotiators that this is so. Nevertheless, it is a reasonably well-established fact about the working of the British economy."

With regard to the thorny negotiating problem of the sharp increase in company profits, the NIESR says that without this rise "it is doubtful whether manufacturing industry would have planned such large increases in investment for 1974 . . . indeed at the moment, when some transfer of resources is needed both into investment and into the balance of payments, it would be useful if there were some increase in company savings over and above this.

"However, it is a reasonable requirement of policy that the owners of capital should not gain at the expense of wage and salary earners.

"It should be possible to meet this condition by maintaining statutory dividend restraint. At the moment it does not seem that the rise in undistributed profits is leading to excessive capital gains. If that happens later, it can be dealt with through taxation."

On *food prices*, the NIESR says problems of equity had resulted from the fact that these have been going up since 1971 at nearly twice the pace of other prices. Pensioners and low income families with a number of children had been hit particularly hard.

The Review says the problem of dealing with this via the Family Income Supplement (FIS) was the disincentive effect —the so-called poverty trap— and the fact that too few people take FIS up.

The NIESR sees some scope, however, for compensating the losers through food subsidies. "Where the income elasticity is low, as with bread, a subsidy financed by increased taxation can bring about a significant redistribution of consumption in favour of those whose need greatest.

"Large families eat bread than small ones; people as much as rich pe There is no disincentive ef

'Psychological'

More generally, says Institute, subsidies can pr a peak rise in a comm price working through the e economic system, or can means of postponing some modity price increases for a until others have begun to

"Finally, there may be psychological advantages i cluding in any packag measures some which directly on prices."

On *threshold agreement* NIESR says their success anti-inflationary device depend entirely on the num "and given the uncertainty import prices they woul something of a gamble."

Anti-inflationary policy lose, for instance, if the tion in the basic rate of increase was only marginal result of threshold agree and the rise in import exceeded the forecast. A NIESR argued above, attempt to compensate for income losses arising adverse terms of trade results in higher prices st

If, however, "by giving insurance against the conse ces of a rapid price rise basic wage increase ca brought down; and if, as sequence of that low basic the threshold price rise reached, then obviously th a gain."

On the *administration* o prices and incomes policy NIESR suggests giving the Commission and the Pay more discretion, and t which are "compatible."

"Greater discretion enable the Price Commissi do more to moderate the increases demanded by which have made high p throughout the last five y says the Review.

The NIESR adds that difficult to see a wor alternative, for wages salaries, to a basic fixed plus a fixed percentage. It though, that the Pay should do more monitori see that the rules are kep

Anomalies

Although it says that anor left over from the introdu of Phase One last year s be dealt with, the Institute little scope for further flex in pay policy.

"In particular," it warn companies which made p tivity agreements were al to break through the in policy ceilings, then pro the whole policy would colla

POSSIBLE OUTCOMES FOR PHASE THREE (per cent. changes)

	(1) Basic forecast	(2) High import price forecast	(3) Low import price forecast	(4) High wage forecast	(5) Low wage forecast
Consumer price index 1974 IV/1973 IV	6.4	7.3	5.1	8.2	4.3
Average money earnings 1974 IV/1973 IV	10.0	10.0	10.0	15.0	7.0
Real disposable income per employee 1974 IV/1973 IV	2.4	1.5	3.8	3.9	2.8

NATIONAL INSTITUTE REVIEW: ESTIMATES OF THE GROSS DOMESTIC PRODUCT AND FORECAST TO END BASED ON PRESENT POLICIES

£m., 1963 prices, seasonally adjusted, quarterly average

	GDP: output estimate Index 1971 I=100	GDP at factor cost	Consumers' expenditure	Public authorities current spending	Gross fixed investment	Exports of goods and services	Total final expenditure excluding stocks	Stock-building	Imports of goods and services	Adj... fact...
1972 I	101.6	8,216	6,222	1,559	1,811	2,260	11,852	−125	2,309	1,2
II	105.3	8,520	6,338	1,558	1,814	2,333	12,043	95	2,356	1,2
III	106.1	8,586	6,457	1,603	1,756	2,135	11,951	187	2,291	1,2
IV	108.2	8,751	6,601	1,590	1,821	2,486	12,498	96	2,561	1,2
Year	105.3	8,518	6,404	1,577	1,800	2,303	12,086	63	2,379	1,2
1973 I	109.9	8,890	6,762	1,627	1,916	2,494	12,799	7	2,590	1,2
II estimate	111.9	9,050	6,615	1,650	1,918	2,585	12,768	180	2,618	1,2
Forecast										
III	113.2	9,154	6,707	1,664	1,940	2,578	12,889	219	2,649	1,3
IV	114.0	9,223	6,790	1,674	1,959	2,613	13,036	205	2,694	1,2
Year	112.2	9,079	6,719	1,654	1,933	2,567	12,873	153	2,638	1,3
1974 I	114.5	9,264	6,790	1,674	1,982	2,663	13,109	185	2,710	1,2
II	115.2	9,321	6,846	1,670	2,007	2,716	13,239	162	2,748	1,3
III	116.0	9,381	6,919	1,674	2,022	2,772	13,387	138	2,790	1,3
IV	116.9	9,458	6,985	1,677	2,051	2,835	13,549	114	2,830	1,3
Year	115.6	9,356	6,885	1,674	2,016	2,746	13,321	150	2,770	1,3
Percentage changes										
1972 IV/1971 IV	5.4		7.3	2.7	1.2	9.0	6.1		16.0	8
1973 IV/1972 IV	5.4		2.9	5.3	7.6	5.1	4.3		5.2	3
1974 IV/1973 IV	2.5		2.9	0.2	4.7	8.5	3.9		5.1	2
1972-71	3.6		6.8	3.1	0.9	1.6	4.4		8.9	9
1973-72	6.6		4.9	4.8	7.4	11.5	6.5		10.9	4
1974-73	3.1		2.5	1.2	4.3	7.0	3.5		5.0	2

Source: Economic Trends, NIESR estimates.

Tax cuts came out of 'fiscal drag'

VIRTUALLY ALL the tax reductions introduced in the last three years have come out of "fiscal drag"—the phenomenon by which the Government's tax-take automatically rises in an inflationary situation.

This is one of the main conclusions of a study, "Some Aspects of the Progressive Income Tax Structure in the U.K.," published in the National Institute Review this morning.

The article, by R. W. R. Price of the NIESR, finds that in the period 1968 to 1973 net direct tax reductions made by the Government amounted to £1,956m., but that over the same period the "inherent drag" in the system increased the Government's automatic direct tax revenue by £2,079m.

After allowing for the tax reductions announced, the "net" drag was small. "Even then," says Mr. Price, "it is interesting that the reduction of 6d in the rate of income-tax compensated for only 70 per cent. of the fiscal drag in 1971-72."

He continues: "A massive decrease (by historical standards) in taxation was necessary in 1972-73 in order to give the economy a net reflationary boost of around £600m." (The decrease was £1,268m. that year).

Mr. Price concludes that the new unified tax system should partly correct the tendency of the tax system to take an increasing proportion of incomes. "This would be achieved by reducing the marginal rate of tax and, more importantly, the responsiveness of the marginal rate to income."

But only partly. He adds: "With substantial growth of money incomes the marginal rate of tax will continue to increase, providing annual increases in what is already a substantial amount of fiscal drag."

Unborn have a legal right in Scotland

CHILDREN INJURED before birth have a legal right in Scottish courts to recover damages, says a White Paper published yesterday. This is the main finding of a Scottish Law Commission study, begun in December, 1972.

The White Paper says that liability is incurred, whether the defender's act occurs before or after conception. Established principles are sufficient to afford a remedy.

"Legislation should only be considered if it is thought that, because there have been no Scottish decisions directly in point, it is desirable to put the matter beyond argument," the commission adds.

If legislation was contemplated, it should do no more than provide that the child should be entitled to sue as if damage had been sustained after birth.

The White Paper says that the mother is entitled to recover solatium—damages for injured feelings, grief or pain—for miscarriage or stillbirth occasioned by another's wrong.

There is no English case law on the subject. In January, the Law Commission recommended, provisionally, that a child should be able to sue for an injury sustained while in the womb at any stage of the foetus's existence.

Less profit in exports, some companies say

BY MICHAEL CASSELL

ABOUT HALF of a representative sample of 29 British engineering companies find exports less profitable than home sales, although most continue to sell an increasing proportion of products overseas, says the National Institute of Economic and Social Research.

The Institute's inquiry into pricing policies was made last year. The 29 companies involved were electrical and mechanical engineering groups, with combined export and home sales ranging from £1m. to £200m. a year.

Most of the organisations that took part in the investigation said that they experienced greater competitive pressure on prices in export markets than at home. About half said that overseas sales were less profitable than those in the U.K.

Only four of the companies reported that the trend in the proportion of output exported since the 1967 devaluation had been declining. The rest were equally divided between those reporting static sales or increases.

Competition

The companies with an increasing proportion of exports attributed the trend to such factors as specific marketing drives, lower prices than those of competitors, growth of overseas markets in relation to those at home and superior products. No organisation suggested that the 1967 devaluation had been of any substantial benefit.

One of the four companies with a declining level of export business mentioned severe price competition and another said price competition and erosion of technological leadership were the main reasons.

The inquiry found that small companies using part-time agents tended to be out of touch with export markets. Because they regarded lower prices as a reward to the buyer rather than as a means of profit maximisation, they were more inclined to accept lower prices in the home market where orders were more regular and payment was quicker.

The Institute, reporting reactions to exchange rate uncertainties, says that only a few of the sample companies had a policy at senior management level before 1971. Among those that did, the most common precautions were forward cover and exchange variation clauses.

The report says: "In the post-war period, uncertainty about the sterling exchange rate has been predominantly one-way.

"Where exports were invoiced in major currencies other than sterling there was little risk that the sterling equivalent receipts would be lowered if the exchange rate altered, and so there was no urgent need to devote resources within the firm to consideration of international monetary developments.

"However, in an era of much greater exchange rate flexibility there do seem to be some costs for the individual firm in adapting to it.

In the past, many of these firms relied on invoicing in sterling as an easy and costless precaution. But there are a number of indications that the scope for this in the future will be more limited.

هكذا من الأصل

Allende's Chile — hovering between chaos and reform

From HUGH O'SHAUGHNESSY, Santiago, August 30

Santiago students in demonstration clash with police.

IT WOULD be an easy task to argue that Chile is on the brink of a bloody and cruel civil war and that the next few weeks will produce a bloodbath here. It would be equally easy to marshall arguments that civil war is impossible and that the British newspapers and television companies are spending time and money reporting on an exotic South American story because there is little of interest or importance happening during a northern hemisphere summer.

Both views are justifiable because the Chilean situation is extremely fluid and never has the future been more difficult to forecast. The optimists put forward the following arguments. They admit the political situation here is bad. The three years that have passed since Dr. Salvador Allende assumed office in 1970 for a six-year term as the first Marxist President of any country to win free and clean Parliamentary elections have produced great tensions in Chile.

The president has used the wide executive powers he has under the constitution to push ahead with a socialist programme which has thoroughly frightened his adversaries, who view with alarm the possibility of Chile becoming some Latin American Czechoslovakia. At the same time the Opposition—the Christian Democrats, Chile's largest single party, and the right-wing Nationals—has a majority in Congress and this fact has made it impossible for Allende to carry through any legislative programme or to alter the constitutional rules of the game to suit his own needs. The middle class and the working class have polarised round the Opposition and the Government respectively. But, the optimistic argument goes, despite great tension the two sides are about evenly matched. As a result, neither side wants to risk a trial of strength which it has no certainty of winning.

Constitution

What is more, the armed forces now act as a shock absorber. After much internal debate senior officers are now fully united on what they want to do and how they mean to do it. They have made clear, the optimistic argument goes, that they are there to defend the constitution. If the Government wants to mobilise the working class in an effort to push through some sort of rapid socialisation through mob pressure it will be restrained by force, while the military will equally see to it that the middle classes will not use their tremendous financial and professional resources to act unfairly against a popularly elected and legally constituted President. At the same time the armed forces will act to crush the small guerilla factions of the far right and the far left.

The armed forces mean to impose peace because peace is necessary to economic recovery. And without both peace and economic recovery Chile will never be able to defend its frontiers against envious neighbours. The senior officers see their supreme task as the defence of Chile's frontiers. This is a nightmare task in a country thousands of miles long and only a few miles wide in places. Both Argentina and Bolivia currently have arguments with Chile about boundaries, and in the past Peru, Chile's third neighbour, had arguments too.

Therefore, the optimists conclude, Chileans have no option but to choke back their political passions and muddle on till 1976. Then the military will see to it that new elections are held and voters given the chance to decide whether they want to confirm a Marxist Government in power for another six years or to chuck out Allende and his colleagues for good. After all, the optimists say, Chile is almost alone in South America in having a Parliamentary democratic tradition and this has seldom failed her.

The pessimists, with a great deal of justification, see it a lot differently. They say that the three years of Allende Government have done nothing but exacerbate the tensions within Chilean society to a point where they will have to be resolved sooner or later through violence. The working classes have been given the promise and a brief glimpse of a new life free from hunger, exploitation and degradation and have become impatient with a bourgeois parliamentary system which was never able to produce a very just or humane society.

On the other hand, the upper and middle classes, having had the first whiff of a Marxist revolution, are equally determined that socialism shall not come to Chile. They will defend their privileges with whatever means they can muster. The first signs of a last-ditch conflict, it is argued, are at hand. The middle classes, unable to curb Allende's executive power by action in Congress, are using their economic power and influence in the country. The month-long strike of hauliers and shopkeepers last October which is being repeated again to-day shows that the middle classes are prepared to bring the country to a grinding halt and risk a massive popular backlash rather than allow Allende to continue in office.

The aid given by the Christian Democrats and the Nationals to the strike of miners this June also shows that Allende's adversaries are prepared to cut off exports of copper which supplies nearly four-fifths of Chile's foreign earnings and thus drive the country towards bankrupscy, if this offers a chance of tipping Allende out of office.

The pessimistic argument goes on that the groups at the extreme ends of the political spectrum are getting stronger at the expense of the moderates in the centre. On the Left, the MIR (Movement of the Revolutionary Left), and its allies are stockpiling arms in hundreds of factories which the workers have taken over from their lawful owners, while on the Right the neo-fascist Patria y Libertad movement which two years ago was a ridiculous boy scout affair, is now becoming a force to be reckoned with—its members are polishing their rifles and counting their ammunition in the middle-class residential districts of every major city of Chile, and occasionally sallying out to commit acts of sabotage.

Divided

Those who see civil war round the corner say that the armed forces are not the bulwark against chaos that they seem. Behind the facade of unanimity the generals and admirals are deeply divided and the tension which accompanied the resignation of General Carlos Prats from the post of Army Commander-in-Chief and Defence Minister, of General Cesar Ruiz from the command of the Air Force and the Ministry of Public Works and Transport and of the Navy commander, Admiral Montero, over the past fortnight have demonstrated clearly that all is not well.

Even if they were at one, the argument goes, the senior officers are anyway powerless to stop polarisation among lower officers and the rank and file. The abortive coup at the end of June by a handful of tanks which machine-gunned the presidential palace here under the command of a colonel shows that middle-grade officers are heeding the siren voices of the *Patria y Libertad* extremists who want the armed forces to rise up against Allende. At the same time the alarm in the fleet earlier this month equally demonstrates that the MIR is at work, slowly but surely subverting the loyalty and discipline of the other ranks.

Thus, it is argued, the main ingredients for a civil war, a polarisation of the population and a split among the armed forces who control the real fighting weapons, are present to-day in Chile as they were in Spain in 1936.

Such are the arguments that with greater or lesser degrees of detail and sophistication the optimists and the pessimists of all political persuasions are putting forward to-day. So delicate is the equilibrium of events here at the moment that any uncommitted observer and many Chileans are wafted from optimism to pessimism from one day to the next, indeed from one news broadcast to another.

What is obvious is that civil war will not be avoided without a strengthening of the political forces of the centre. Allende, the senior officers, moderate members of the main Opposition party, the Christian Democrats, and the Chilean Communist Party all agree on this (the Chilean Communist Party, a loyal Muscovite organisation which with Dr. Allende's own Socialist Party is the prinicpal component of the Government coalition, is playing a very cautious centrist strategy at the moment which contrasts markedly with the revolutionary fervour of the MIR).

Not for the first time the idea is being put around that moderates of all political stripes, Christian Democrats, Communists, Socialists and Radicals, should all get together in some new popular revolutionary party which would be ideologically an extraordinary hybrid but whose members would all be united in wanting social change without bloodshed.

Up to now one of the main stumbling blocks to this development has been the attitude of the leaders of the Christian Democratic Party, principally Dr. Allende's predecessor in the presidency, Senator Eduardo Frei, who has pushed his Party to the Right and has stood against any co-operation with the Government. Now, however, if the growing discontent of many Left-wing Christian Democrats is translated into action, the Christian Democratic Party, or large sections of it, could move perceptibly towards the Government and towards the idea of this new Centre Party.

Inflation

In the wings stands the hooded executioner of every Party's policy — inflation. The cost of living is rising to-day by about 300 or 400 per cent. per annum. There is a black market for everything, especially food. The dollar, which was changing hands under the counter six years ago for 7 escudos will now fetch more than 2,000 escudos. In the past few weeks the 1,000-escudo note has made its expected appearance. It is a handsome and well-designed piece of paper but it should be sending shivers down the back of every politician in Chile.

Green Shield sets up two subsidiaries

BY DAVID WALKER

GREEN SHIELD Trading has set up two subsidiary companies to provide back-up services for all the companies in the sphere of interest of Mr. Richard Tompkins, Green Shield's founder and owner, and to spearhead a further expansion of trading stamp activities in the U.K.

One subsidiary is Green Shield Corporate Services, whose main concerns will lie with such things as advertising, general publicity and promotion, and consumer research. Among the companies it will serve, apart from the trading stamp operation itself, is Argos Distributors, the discount shopping operation set up early in July.

The other company, concerned solely with extending the trading stamp operation, is Green Shield Sales (U.K.).

Mr. R. Lowes has been appointed a director of Green Shield Sales (U.K.), and Mr. E. Adams and Mr. A. Wilson have been made associate directors.

The directors of Green Shield Corporate Services are Mr. L. G. Ablitt, Mr. R. Albon, Mr. E. A. Howes, Mr. T. B. Mackerness, Mr. J. P. O'Callaghan, Mr. D. L. Slobom, and Mr. J. R. Wilsher.

Mr. D. L. Andrews, Mr. A. Heap, and Mr. P. J. Richards have been appointed associate directors, and Mr. P. R. E. Reynolds has been named as company secretary.

Also announced was the appointment of Mr. A. R. Wilson as an associate director of Argos Distributors.

Cleaning of buildings may take £12m. in 1973

EFFECTS of the Government grant scheme for the restoration of old and dirty buildings, together with a greater general awareness of environmental problems, could result in up to £12m. being spent this year on the cleaning of public and private buildings, Mr. Marcus Turnbull, chairman of Chemical Cleaning Services, said yesterday in London.

Mr. Turnbull added: "It is our estimate that the combined expenditure of public and private industry on the cleaning of all kinds of building last year from civic centres, hotels, bank and insurance company offices to department stores and even private houses, amounted to £6m. to £7m.

"With the added incentive of 'operation eyesore,' the Government-backed scheme under which special grants have been made available on approved cleaning projects in the development and intermediate areas, the figure this year could reach £12m.

Mr. Turnbull revealed that one o the company's latest contracts was for cleaning a major part of the Civic Centre, Leeds, including the Museum, Corn Exchange, Art Gallery, and Library—completed well within the specified time.

The Hyde Park Hotel, owned by the Trust Houses Forte, and recently cleaned by CCS in five weeks, won a Brighter London award.

Chemical Cleaning Services is a subsidiary of Diebold Computer Leasing, the U.K. financial services group in which First Pennsylvania Corporation of the U.S. is to acquire a 70 per cent. holding. Diebold acquired control of CCS in August, 1972, and in the first six months the new management concentrated on introducing a more scientific and professional approach to the cleaning of buildings.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Demand lacking and rally fades out

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 30.

THE RALLY petered out on Wall Street to-day; when follow through demand was lacking and there was little in the news background to sustain market interest.

After opening another 3.46 up at 886.89, the Dow Jones Industrial Average slowly reacted to 882.53, for a net loss of 0.90. The NYSE All Common Index finished unchanged at $55.39, after rising 11 cents to $55.50, while gains led losses by 822 to 593. Trading volume dropped by 3.59m. shares to 12.1m.

In the economic news, factory orders in July rose by a small amount after a strong gain in the previous month, on a month-to-month basis.

Bonds closed mixed in quiet trading. Government's finished lower in the short and intermediate areas, with prices off from ⅛ to ¼. Longer maturities were irregular, within a quarter point range.

"Glamours" and Blue Chips retreated. Polaroid lost $1⅞ to $118⅞, Du Pont $1¼ to $158¾, Disney $2¼ to $83¼, Schlumberger $2⅝ to $115⅞, and Proctor and Gamble $4¼ to $97¼.

Most actively-traded stock Philip Morris slipped $2¼ to $116⅛—it announced an increased dividend and a management shakeup.

Aluminium gained ground. Martin Marietta picked up $⅞ to $8⅜, Reynolds Metals $1⅛ to $16⅛, Kaiser Aluminium $⅜ to $22¼, Alcan $¼ to $32¼, American Metal Climax $⅞ to $34⅞ and Alcoa $⅞ to $71⅜.

Retail stocks improved on increased August sales. Lucky Stores picked up $⅞ to $11⅞, Broadway-Hale Stores $1⅞ to $32, Safeway $1½ to $34½ and A and P $½ to $12⅞. Sears added $⅞ at $96⅜, J. C. Penney $1¼ at $76¼ and Zayre $⅜ at $12.

Corning Glass advanced $3¾ to $110⅜, U.S. Life $1¼ to $32⅜, Owens-Illinois $1¼ to $34¼, Lubrizols $1½ to $49½, Dentsply $1⅛ to $21⅜, Arthur G. McKee $1⅛ to $24½ and Caterpillar Tractor $1⅜ to $63⅜.

Food issues also moved up. Keebler tacked on $1⅛ to $18, Southland $1¼ to $16¼, General Foods $⅞ to $24⅜, General Mills $1 to $57⅜ and Standard Brands $⅞ to $48⅞.

American Finance System jumped $2¼ to $18 and First Chicago rose $1 to $63¼ on a tentative merger agreement.

Ramada Inns gained $⅞ to $9¼.

...Zayre improved $⅜ to $12 on a 2.1 per cent. gain in 9August sales.

Ashland Oil gained $1¼ to $27⅞ on its forecast of higher net earnings for the year.

The American SE Index rose another 3 cents to $22.92, while advancing issues led declines by 396 to 317, in a volume of 1,933m. (1,88m.) shares.

Mansfield Tire fell $⅜ to $5¼, on volume of 115,000 shares with a block of 74,900 shares at $5.

Kaiser Industries increased $¼ to $7½ and Syntex jumped $4 to $100⅞, but TWA Warrants declined $⅜ to $3.

Atlas Consolidated Mining gave way a further $⅜ to $30½.

U.S. Reduction jumped $1½ to $13—it expects record earnings for the third quarter and also the year.

Imperial Oil gained $⅜ to $43⅞, but Bowmar dropped $1¼ to $34¼.

OTHER MARKETS

Canada irregular

Canadian Stock Markets were irregular in moderate trading yesterday.

The Industrial Share Index rose 0.49 to 215.00, Base Metals put on 0.43 to 101.40, Western Oils improved 2.40 to 252.13, but Golds lost 1.78 to 259.70, Banks shed 0.49 to 268.76, Papers eased 0.20 to 127.33 and Utilities dipped 0.01 to 140.67.

Bow Valley Industries were up $1½ at $34½, Trans Canada Pipeline gained $1⅜ to $29.⅝, McIntyre Porcupine were $1 higher at $53 and Canadian Superior Oil put on $1 to $56.

PARIS—Well maintained in moderately active trading. Buildings, Foods, Stores, Electricals, Metals and Chemicals all tended higher. Banks and Portfolio Companies were resistant, while Motors, Rubbers and Oils were narrowly mixed. Engineerings were steady.

Carrefour were up Frs.70 to 3,370, Galeries Lafayette Frs.7.5 to 143 and Printemps Frs.6.7 to 122.

In Foreign Issues, Americans and Oils were firm, Germans and Dutch issues steady, while Belgians and Coppers drifted slightly lower. Golds were mixed.

BRUSSELS—Petrofina recovered Frs.170 to Frs.7330, while UCB rose Frs.45 to Frs.3230 in Chemicals. In Steels Cockerill put on another Frs.6 to Frs.1334 on favourable comment. Holdings and GB Enterprises were also lower in Stores, as were St. Roch and Andre Dumont in Industrials.

Peugeot and Dutch stocks gained ground, but Golds were easier and Boeing and General Motors each declined.

MILAN—Firmer trend in continued subdued trading. All leading Industrials gained ground except Olivetti Privileged, which eased slightly. Mediobanca put on Lire 90 to Lire 78,100 in firmer Banks, while Assicurazioni Generali rose Lire 1,550 to 74,600 in insurances.

Bonds were quietly steady.

AMSTERDAM—Dutch Internationals were generally firmer on fresh demand and short-covering.

Plantations and Investment Funds were steady, but Shippings weakened while Banks firmed. Insurances, consolidated Wednesday's gains. The Local Sector was generally firm led by Heineken which advanced Fls.7.5 to Fls.283. Byenkorf were weak on lower first half-year sales.

GERMANY—Mixed trend in thin trading, with markets cautious in the face of the end-month rise in Money Market rates as banks stocked up their minimum reserves.

Among Motors, BMW advanced DM5 to DM251 and Daimler were up DM3 to DM334. Banks also rose, Chemicals and Electricals were mixed, while Steels and Utilities were generally steady with the exception of Mannesmann, which eased DM1.5 to DM161. The Building sector eased sharply, Holsmann fell DM9 and Portland Zementwerke Heidelburg DM15.

SWITZERLAND—Markets were generally steady in continued lacklustre trading.

Banks were well maintained. In slightly firmer Financials Continental Linoleum-Union "A" and "B" each rose on active buying, attributed to continued good earning prospects and possible reorganisation plans.

OSLO — Banks and Insurances were barely steady, Industrials steady, Shippings firmer and Oils irregular.

VIENNA — Market steadied in quiet trading.

COPENHAGEN — Easier, with the exception of little changed Banks.

TOKYO — Market edged up throughout the day in limited trading, with dealers encouraged by the overnight gain on Wall Street. Volume 110m. (120m.) shares.

Dealers showed interest in Chemicals, which are expected to produce good results for the current term in view of a sharp rise in chemical product prices. Tokuyama Soda gained Y6 to Y305, Kureha Chemical Y13 to Y222 and Shin-Etsu Chemical Y6 to Y206.

Leading Securities firms bought "large-capital" issues apparently in an attempt to encourage the market. Nippon Steel rose Y1 to Y165, Mitsui Shipbuilding Y5 to Y426 and Fuji Electric Y6 to Y145.

Sony finished Y20 off at Y4,590 Speculative buying persisted in Heiwa Real Estate, advanced Y28 to Y504.

AUSTRALIA — Mining shares recovered strongly in active trading. Many Industrials also were up.

In Oils, Woodside-Burmah regained 20 cents to $A1.65.

Among Minings Poseidon regained 50 cents to $A6.60, Peko-Wallsend picked up 28 cents to $A5.40 and Hamersley put on 17 cents to $A1.26.

Conzinc Rio Tinto recovered 30 cents to $A5.75 and Broken Hill South were up 10 cents to $A2.25. Gold Mines of Kalgoorlie picked up 5 cents to $A1.35 and Broken Hill North 3 cents to $A1.45.

In Industrials, BHP climbed 26 cents to $A7.81, while CSR gained 18 cents to $A4.47 and Amatil improved 12 cents to $A2.57.

Banks went against the general trend, with CBC off 15 cents at $A3.15, while Bank of NSW at $A7.58 anw Bank of Adelaide at $A2.90 each shed 2 cents.

Tooheys picked up 20 cents to $A2.28 and Tooth gained 12 cents to $A3.23.

Comalco, however, lost 5 cents to $A2.25, but EZ Ind[illegible] picked up 10 cents to $A3.[illegible]

JOHANNESBURG—Golds [illegible]ally closed harder although [illegible] issues moved off the h[illegible] levels following small bo[illegible] profit taking.

Platinums weakened, [illegible] dipped 5 cents to R3.90, [illegible]burg 5 cents to R2.48 and [illegible]gate 3 cents to R.50. [illegible] Financials were quietly [illegible] while other Metals were ne[illegible] Industrial leaders were lo[illegible]

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus *	Util. ⊕	Trading volume† 000's
Aug. 30	71.63	156.96	882.53	95.65	12,100
29	71.61	157.50	883.43	95.22	16,690
28	71.64	156.26	872.07	95.28	11,810
27	71.60	155.84	870.71	94.84	9,740
24	71.49	154.44	853.49	95.16	11,200
23	71.47	153.67	864.46	95.00	11,580
22	71.53	151.97	851.90	94.56	10,770
21	71.44	152.86	857.84	95.03	11,080
20	71.58	154.48	867.40	95.16	8,970
17	71.46	155.57	871.84	95.12	11,110
16	71.38	156.07	872.74	94.65	12,990
15	71.53	157.05	874.17	94.64	12,040
14	71.40	156.41	870.71	94.64	11,740
13	71.46	157.81	883.20	95.12	11,350
10	71.67	158.35	892.38	96.08	10,870
9	71.76	159.74	901.49	96.02	12,880
1973 High	75.34 (18/1)	228.10 (2/1)	1061.70 (11/1)	120.72 (2/1)	—
1973 Low	71.35 (15/8)	151.97 (22/8)	851.90 (22/8)	94.56 (16/8)	—

* All-time high 1051.70 (11/1/73).
† All-time high 279.88 (7/2/69).
⊕ All-time high 163.32 (20/4/65).
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 24	Aug. 17	Aug. 25, 1972
3.89	3.85	3.25

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1973 High	1973 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
65.48 (11/1)	53.56 (6/7)	55.39	55.39	54.87	54.66	54.18

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,751	822	593	336

	Thurs.	Wed.	Tues.	Mon.	Fri.
New Highs	18	2	12	4	5
" Lows	30	45	48	87	78

AMERICAN SE ALL STOCKS AVERAGE

1973 High	1973 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
26.84 (5/1)	22.20 (25/6)	22.92	22.89	22.86	22.82	22.81
Volume (000's)		1,933	1,886	1,527	1,820	1,580

STANDARD AND POORS U.S. STOCK INDICES

	*Ind. Ord.	†Composite
Aug. 30	116.55	103.88
" 29	117.07	104.03
" 28	115.89	103.02
" 27	115.18	102.42
" 24	114.23	101.62
" 23	114.61	101.91
" 22	112.97	100.53
" 21	113.36	100.89
" 20	114.21	101.61
" 17	115.04	102.31
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	112.97 (22/8)	100.53 (22/8)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 29	Aug. 22	Aug. 30 1972
Ind. Ord. yield pc	2.89	2.98	2.57
Ind. Ord. p/e ratio	15.09	15.53	19.12
Long-term Govt. Bds. pc	6.36	6.38	5.44

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Philip Morris	138,700	116⅛	−2¼
Inter. Paper	135,700	44⅞	+⅞
Oklahoma Gas. & El.	134,100	23⅜	−⅛
Ramada Inn	120,700	9¼	+⅞
Texaco	101,900	29⅞	—
Westinghouse Elec.	96,700	24½	+⅞
Fed. Nat. Mort.	88,800	19⅛	−⅛
Grace W.R.	87,300	22⅞	−⅛
First Nat. City	84,100	47⅞	+⅞
New England Elec.	83,400	23	—

TORONTO

INDUSTRIAL INDEX

Aug. 30	Aug. 29	1973 High	1973 Low
215.00	214.51	223.50 (12/1)	202.43 (21/5)

MONTREAL

INDUSTRIAL INDEX

Aug. 30	Aug. 29	1973 High	1973 Low
247.01	245.66	253.72 (12/1)	206.32 (22/5)

COMBINED INDEX

Aug. 30	Aug. 29	1973 High	1973 Low
228.33	227.44	240.23 (12/1)	206.53 (22/5)

JOHANNESBURG

	Aug. 30	Aug. 29	High	Low
Industrials	279.7	280.1	293.1 (10/7)	255.0 (8/2)
Gold	195.6	193.5	227.7 (6/1)	123.4 (10/4)

(1938=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 30	Aug. 23	Aug. 16
On Dividends	4.95	4.63	4.71
On Earnings	7.98	7.40	7.41

SYDNEY ALL ORD. INDEX

Aug. 30	Aug. 29	High 1973	Low 1973
508.61	500.52	667.28 (19/1)	500.52 (29/8)

HONG KONG INDEX⊕

Aug. 30	Aug. 29	High 1973	Low 1973
601.61	606.53	1,774.96 (9/3)	494.50 (11/7)

SINGAPORE INDEX §

Aug. 30	Aug. 29	High 1973	Low 1973
505.96	506.57	611.36 (13/2)	295.00 (15/5)

‡ Ex all. Xd ex-dividend.

TOKYO NEW SE INDEX†

Base=100 January 4, 1968.

Aug. 30	Aug. 29	Div. %	Yield %
370.51	369.96	11.90	1.96

	High	Low
1973	422.43 (24/1)	369.11 (28/4)

EUROPE

	Aug. 30	Previous	1973 High	1973 Low
Belg'm(*)	131.10	130.69	142.33 (22/6)	125.11 (2/1)
Denm'rk	126.66	127.89	128.95 (10/8)	120.22 (6/7)
France (bb)	84.4	84.1	95.9 (4/5)	79.3 (6/1)
Germany‡	95.16	95.17	120.71 (15/5)	89.90 (27/7)
Holland (o)	148.5	147.5	171.9 (12/4)	144.1 (23/8)
Italy†	121.07	119.62	147.28 (19/6)	98.25 (16/2)
Sweden (g)	381.69	381.32	389.24 (10/7)	350.42 (2/1)
Switzer'l'd **	344.2	348.3	460.1 (27/1)	344.2 (30/8)

* Handels Index Base Dec. 31, 1958. ‡ Base 100 Jan. 2, 1972. ** Swiss Bank Corporation Index base 100 Dec., 1966. (c) Closed. (m) Base 1962. (o) Base 100 1963. (g) Base Dec. 29, 1966. (bb) Paris Bourse Committee, base 100 1961. (d) Base 100 January 1, 1973. † Base 100 Jan. 4, 1968. ⊕ Hang Seng Bank, base 100 July 31, 1964. § Straits Times Industrial, base 100 1966.

Sterling weaker

Sterling again lost ground against major currencies in general yesterday, with its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, widening to 17.18 per cent., from Wednesday's 17.07 per cent., and Tuesday's 16.88 per cent. At the same time, the pound reversed the previous day's uptrend against the dollar, falling 75 points in London inter-bank dealings to $2.4570-$2.4580 (for a loss of about 0.30 per cent.). The dollar was stronger against many, but not all, major currencies, and the pound showed gains in terms of some major units. A fair level of activity was reached at times. The spot settlement was for Tuesday (the first working day of September in New York), but a good demand was seen for some currencies on deposit ahead of the spot settlement, with short-term German marks and Swiss francs reported at levels up to 25 per cent. or so in Euro-currency dealings. The one-month discount on forward sterling, against the dollar, widened 0.12c to 0.98c, and the three-month 0.03c to 2.78c, but the six-month narrowed 0.05c to 4.70c, although the 12-month widened 0.27½c to 8.47½c.

The dollar strengthened 165 points on balance in terms of the German mark in London, to DM2.4580 (and showed a further improvement in quotations made shortly after the normal close). Swiss francs fell 75 points to Frs.3.0300 to the dollar, French commercial francs 25 points to Frs.4.3100, and French financial francs 225 points to Frs.4.3725, while Dutch guilders lost 95 points to Fl.2.6850. Belgian francs were 7½c. firmer, on convertible account, at Frs.37.55, but lost 5c. on financial account, at Frs.37.85.

Gold fell back in London to $104-106 an ounce, from Wednesday's $106½-108, in moderate business, in which European industrial buying was less marked than it had been the previous day. The metal opened at the previous $106½-108, while the morning fixing was at $105.75 (£42.935). A level of $103½-105 was quoted between the fixings, the second of which was at $105.50 (£42.851).

EXCHANGE CROSS-RATES

Aug. 30	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	2.459-461	56.90-57.0	6.62-53	6.035-045	91.30-40	81.15-.25
N.York	40.650-675	—	23.20-23	2.665-670	2.4575-4585	37.24-28	33.15-20
Paris (c)	175.70-.12	4.290-301	—	11.45-50	10.590-615	160.40-.90	142.60-80
Brussels	15.36-3725	37.52-59	3.72-.7425	—	92.40-55	14.00-.01	12.46-4825
London	6.03½-04½	2.457-458	10.58-59	92.15 35	—	6.59-60	7.43 44
Amt'dam	109.56 61	2.6752-77	62.265-315	7.1455-85	6.5935-65	—	89.025 075
Zurich	122.92-.18	3.028-032	70.30-48	8.05-07	7.43-44	112.64-91	—

U.S. $ in Montreal 0.9940-60 Canadian $ in New York 1.0044-48 U.S. $ in Milan 565.00 Sterling in Milan 1391.95 (c) Commercial. (u) Unavailable.

EURO-CURRENCY INTEREST RATES ◇

Aug. 30 1973	Sterling	U.S. Dollar	Canadian dollar	Dutch guilders	W. German mark	Swiss franc
†Short-term	12-15	10⅛-11	7¼-7⅛	8¼-8⅝	8-10	1¼-1¾
7 days' notice	—	10⅝-11⅛	7½-7¾	8¼-8¾	8-10	1¼-1¾
Month	18½-16⅞	11¼-11¾	[illegible]	10¼-11⅛	8⅝-9	4⅝-4¾
Three months	15⅞-16¼	11⅜-11⅞	8¾-9	10¼-10¾	8½-8⅞	5⅛-5¾
Six months	15⅛-15⅛	11⅜-11⅞	9¼-9½	10⅛-10⅝	8½-8⅞	6⅛-6⅞
One-year	13⅞-14⅞	10⅝-11⅛	9¼-9½	9⅞-10½	8½-8⅞	6⅝-6⅞

Long-term certificate rates as follows: two years 9¾-10¼ per cent.; three years 9⅜-9⅞ per cent.; four years 9¼-9¾ per cent.; and five years 9⅛-9⅝ per cent.

The following nominal rates were quoted for London dollar certificates of deposit; one month 11 11/16-11⅞ per cent.; three months 11 11/16-11⅞ per cent.; six months 11⅝-11⅞ per cent.; one year 10 15/16-10⅞ per cent.

◆ Rates are nominal closing rates.

† Short-term rates are call for sterling. U.S. dollars and Canadian dollars are two days' notice for guilders, marks and Swiss francs.

FOREIGN EXCHANGES

Aug. 30 1973	Bank Rate %	Day's Spread	Close
New York	7½	2.4555-.4655	2.457[illegible]
Montreal	6¾	2.4685-.4785	2.468[illegible]
Amst'dam	8½	6.57-6.61	6.59[illegible]
†Brussels	6½	92.8-93.60	92.1[illegible]
Copen'gen	8	14.21-14.30	14.2[illegible]
Frankf'rt	7	6.00-6.05	6.03[illegible]
Lisbon	Δ5¾	56.81-57.90	57.[illegible]
Madrid	††6	139.21-140.20	139.[illegible]
⊕Milan	4	1,384-1,395	1,39[illegible]
Oslo	4½	13.76-13.79	13.7[illegible]
‡Paris	9½	10.55-10.60	10.5[illegible]
Stockh'lm	5	10.50-10.53	10.5[illegible]
Tokyo	7	648-658	[illegible]
Vienna	5½	44.20-45.00	44.[illegible]
Zurich	4½	7.42-7.48	7.43[illegible]

†† Basic discounts. Δ Bank of Portugal discount rate. † Rates given for convertible franc; closing financial 92.85-93.15. ‡ Rates given are for commercial franc; closing financial 10.73-10.75. ⊕ Rate given is commercial; closing financial rate 1,444-1,449. [illegible] for Aug. 29 should have read 7.44 not as previously shown. [illegible] Aug. 29 should have read 6.594-6.6[illegible] as previously shown.

OTHER MARKET RATES

		Note Rates	
Argentina ◆	12.15-12.55	Argentina	[illegible]
Australia	1.7500-1.7450	Austria	[illegible]
Brazil	14.95-15.20	Belgium	[illegible]
Finland	9.08-9.10	Brazil	[illegible]
Greece	72.72-74.77	Canada	[illegible]
H'ng K'ng	12.58-12.68	France	[illegible]
Luxemb'g	92.15-92.35	Germany	[illegible]
Malaysia	5.69-5.7425*	Greece	[illegible]
N. Zealand	1.8821-1.9451	Italy	[illegible]
Singapore	5.744-5.787*	Japan	[illegible]
S. Africa	1.6452-1.6603	N'ther'l'nds	[illegible]
U.S.		Spain	[illegible]
Canada		Sw'tz'l'nd	[illegible]
USI=U.S. Cent.	99.45-99.48	U.S.	[illegible]

† Based on rates quoted by specialist dealers. Other rates may be [illegible]

FORWARD RATES

	One Month	Three months
New York	1.03-0.93 c. pm	2.83-2.[illegible]
Montreal	1.60-1.45 c. pm	4.50-4.[illegible]
Amst'dam	3½-2½ c. pm	9½-8½ [illegible]
Brussels	80-60 c. pm	200-180 [illegible]
Copenh'n	⅛-5¼ ore dis	4-9 ore [illegible]
Frankfurt	4½-3½ pf pm	12-11 [illegible]
Lisbon	75 c. pm-par	145-10[illegible]
Milan	Par-11 lire dis	8-22 lire [illegible]
Oslo	10¾-7¾ ore pm	25-22 [illegible]
Paris	7¼-5¼ c. pm	19½-18½ [illegible]
Stock'lm	8-6 ore pm	18-13 [illegible]
Vienna	50 gro. pm-10 dis	90-30 [illegible]
Zurich	7¼-6¼ c. pm	19½-18½ [illegible]

OVERSEAS SHARE INFORMATION

Investment $ premium based on $2.60 per £1—31% (31¼%). Conversion factor 0.8061 (same).

NEW YORK

Stock	Aug. 30	Aug. 29
Acme Markets	19⅛	19⅝
Addressograph	15	15⅛
Continental Tele.	19⅝	19⅝
Control Data	53¼	53¼
Copper Range	16⅛	16
Corning Glass	110⅜	107½
CPC International	27¾	26¼
Joy Manufactur'g	35¼	[illegible]
Kaiser Alumin'm	22¼	[illegible]
Kaiser Industries	7¼	[illegible]
Kaiser Steel	14	[illegible]
Key	6	[illegible]
[illegible]	[illegible]	[illegible]

CANADA

Stock	Aug. 30	Aug. 29
[illegible]	[illegible]	[illegible]

AMSTERDAM

Aug. 30	Price Fls.	+ or −	Div. %	Yld. %
Akzo (Fl.20)	70	+0.5	18	5.1
Alg Bk Ned Fl.100	519	+2.2	18	5.6
AMAS (Fl. 10)	55	—	—	—
Amro Bank (Fl.20)	77.2	+0.3	18	4.7
VanBerkel's (Fl.50)	202	+2	15	5.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Aug. 30	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Aug. 30	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO ¶

Aug. 30	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities, Tokyo.

GERMANY ◆

Aug. 30	Price Dm	+ or −	Div. %	Yld. %
A.E.G.	96.2	−0.6	10	5.2
Allianz Versich.	444	+1	15	1.7
B.M.W.	251	+5	16	3.2
Badische Anilin	130.5	+0.9	15	5.8
Bayer	109.7	−0.6	14	6.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Aug. 30	Prices Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Aug. 30	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 30	Aus $	+ or −
Acrow Australia	1.10	−0.04
AdelaideBrightonCem't50c	†1.63	−0.07
Alkane Explorations	†0.03	......
AlliedMnfg.Trdg.Indus.($1)	2.57	+0.12
Ampol Explorations	0.79	−0.02
[illegible]	[illegible]	[illegible]

MILAN

Aug. 30	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Aug. 30	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Aug. 30	Price Kroner	+ or −	Div. %	Yld. %
Burmeister & W.	130	−½	[illegible]	[illegible]
Cop. Handelsbank	258½	[illegible]	[illegible]	[illegible]
Dan. Landmnsbk	258¼	−½	[illegible]	[illegible]
Dan. Provinsbank	223¼	−½	[illegible]	[illegible]
Dan. Sukkerfab.	500½	−½	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ◆

Aug. 30	Price Krone	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

INDUSTRIALS

	Rand	+ or −
[illegible]	[illegible]	[illegible]

SPAIN

August 30	Per cent.	+ or −
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices [illegible]

هكذا من الأصل

STOCK EXCHANGE REPORT

Leading equities fail to sustain recovery movement

Index unaltered at 417.7—Interest in bid situations

ACCOUNT DEALING DATES

Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 13	Aug. 30	Aug. 31	Sept. 11
Sept. 3	Sept. 13	Sept. 14	Sept. 25
Sept. 17	Sept. 27	Sept. 28	Oct. 9

* " New-time " dealings may take place from 5 p.m. three business days earlier.

Leading equities quickly gave up most of an opening rise yesterday when buyers failed to follow-through on Wednesday's recovery movement. There was an expansion in inquiry if not in actual business, but dealers' expectations of " new-time " demand for the Account starting next Monday went unfulfilled except for a certain amount of this type of buying in bid and " situation " stocks. Despite the lack of more general buying interest—the F.T. 30-share index closed unaltered on the day at 417.7 after having been 2.3 up at 10 a.m.—the undertone remained steady-to-firm. This was reflected in small gains, to 0.3 per cent., in the F.T.-Actuaries three main shares indices. Official markings, at 6,697, compared with 5,976 on Wednesday and mirrored the increased activity late the previous day and early yesterday.

Most interesting of the day's bid situations concerned **Army and Navy Stores** which jumped 70p to 648p on news that the House of Fraser bid is not to be referred to the Monopolies Commission.

Gilts remained quiet, but steady, pending to-day's Minimum Lending Rate announcement; the 20-year Government stocks index was a shade easier at 62.31 (62.33).

South African Golds continued to improve, despite a $2 fall in bullion to $105.25 an ounce. Buying, however, was small with some on account of "new-time" and the Gold Mines index rose 1.8 to 155.2 for a three-day gain of 8.3.

Gilts unchanged

Trade failed to develop in British Funds, but the fact that recent sellers continued to hold off was encouraging and a few short-dated issues edged up 1/16. A small early business in mediums and longs was effected without disturbing overnight price levels. Corporations were adjusted lower in places.

Wall Street's strong overnight trend failed to inspire fresh demand for investment currency and the premium eased back to 30¾ per cent. before steadying to close only ¼ down on the day at 31 per cent. Yesterday's USE conversion factor was unaltered at 0.8061.

In firm Recent Equities, **Wearwell** added 3p at 54p.

Aust. Banks steadier

Firmer advices from Australia helped **Bank of New South Wales**, which closed at 512p, after 530p, recover 7p of the recent loss, while **National Bank of Australasia** retrieved 3p to 215p. Discounts were firmer in places, **Gerrard and National** and **Gillett Bros.** both improving 5p to 275p and 290p respectively. Merchant Banks encountered "cheap" buying interest; **London and County Securities** secured a 5p improvement at 188p, as did **Keyser Ullmann** at 258p. **Bryanston Finance**, 2p up at 80p, continued to rally in Hire Purchases. The "big-four" Banks were hardly tested and closed without alteration.

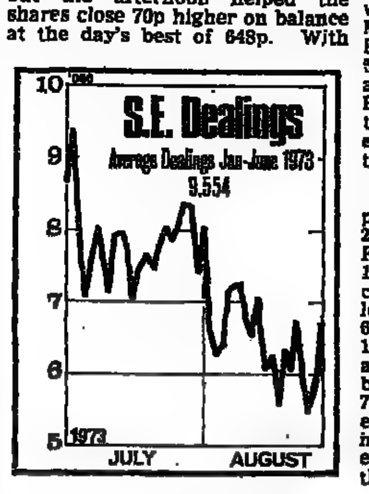
Insurances improved further after another small trade. **Pearl** hardened 1p to 274p on further consideration of the interim report while gains of 4p and 5p respectively were marked against **Matthews Wrightson**, 200p, and **Sedgwick Forbes**, 249p.

Breweries ended without much alteration in continued quiet trading.

Little of interest occurred in the Building sector, although occasional buying left prices with scattered small improvements. Still reflecting satisfaction with the half-yearly statement, **L. Fairclough** pushed ahead 7p further to 188p. **J. Jarvis** were firm at 198p, up 5p, while leading Contractors often made small headway. In Timbers, **Phoenix** responded to the results by rising 4p to 120p. Elsewhere, **Dufay Bitumastic** continued to reflect disappointment with the interim statement and gave up 1p further to 25½p.

Among Chemicals, **ICI** failed to hold an early improvement to 245p and closed unaltered at 241p.

News that the House of Fraser offer for Army and Navy will not be referred to the Monopolies Commission brought great relief to recent speculators in the latter which jumped to 640p in response to the announcement; a small amount of profit-taking, however, brought the price back to 625p before persistent demand throughout the afternoon helped the shares close 70p higher on balance at the day's best of 648p. With



House of Fraser unaltered at 108p, after 104p, the terms value the offer at 676p per A and N share. Elsewhere, Stores closed firmer for choice, although trade was small. **Aquascutum "A"** hardened 2p to 35½p following favourable Press comment and, in Shoes, **Stead and Simpson** were supported again and closed another 7½p better at 109½p for a three-day rise of 16½p.

A little better at the opening, the Electrical leaders drifted back to finish a shade lower on balance. **EMI** closed 3p cheaper at 152p. **Philips Lamp**, however, put on 15p more to 940p. Demand was seen for **Reyrolle** which touched 95½p before easing back to close only 1p dearer on the day at 93p. **Geo. Sturla** came to life with a rise of 5p to 90p and interest also revived in **J. E. Dallas**, 2p better at 50p.

After being around 4p higher, the Engineering leaders generally closed with gains of half that amount. In contrast, second-line issues made rises of up to 5p including **Edgar Pickering**, at 128p, and **Hall Engineering**, at 188p. **Metropole Industries** returned to favour, gaining 5p to 50p, while **Serck** put on 3½p to 44p in response to Press comment. Despite adverse mention, **Gordon Johnson Stephens** advanced 4p to 61p in London. Trading news helped **Astra Securities** improve 2p to 21p, but disappointment with the interim results brought **Mather and Platt** down 7p to 66p. Buyers came for **Sheffield Twist**, 57p, and **Ernest Scragg**, 37p, up 3p and 2p respectively, while **Motor Rail** were raised 4p to 24p in a thin market. **Fairey** caught the eye at 69p, a rise of 3p, ahead of the full report.

Brooke Bond "B" proved popular again in Foods and rose 2p further to 55p, while **Northern Foods**, 89p, and **Tate and Lyle**, 168p, improved similarly. Other changes, however, were mainly lower, *W. J. Pyke falling 5p to 64p and Manbre Garton 4p to 120p.* A badly-executed country attempt to sell **Tavener Rutledge** brought the price down 6p to 72p, while **Meat Trade Suppliers** eased 2p to 60p despite the much increased profits. **Wrensons Stores** edged up 2p late to 232p after the annual results.

Wilkins & Mitchell up

Beecham, 278p, and **Glaxo**, 350p, both managed to hold early small improvements, but other leading miscellaneous Industrials eased back to close without much alteration. **Wilkins and Mitchell** featured with a rise of 13p to 155p on "new-time" demand accompanied by revived takeover hopes. **Johnson Matthey** responded to the good figures for the first quarter with a rise of 9½p to 422½p, while further consideration of the results encouraged a rally of 3½p to 33p in **Nu-Swift Industries**. Buyers were about again for **George Kent** which moved up 6p further to 60p and fresh support was forthcoming for **British Sidac**, 3p higher at 76p. Revived speculative interest prompted a gain of 3½p to 42p in **George Ewer**, while *Leisure Caravan* hardened 2p to 55p in response to the profits forecast. Following trading statements, **Ofrex** improved 2p to 134p and **Gripperrods** 1p to 94p. In contrast, **Burco Dean** were dull at 94p, down 4p, while **H. Brammer** eased 2p to 99p on the interim results. Australian issues made a better showing after the recent sharp setback, *Broken Hill Proprietary regaining 8p to 532p* and **Thomas Nationwide** a similar amount to 156p.

Little of interest developed in Motors which tended a shade harder. **British Leyland** firmed ½p more at 26½p. **Brown Bros. and Albany**, in Components, ended 3p higher at 42p, after 43½p, on the good interim results and favourable outlook for the second-half year, while **Harmo Industries** improved 1p to 35½p on speculative interest. Among Garages, **Lex** rose 5p to 92p and **Kettering** put on 6p at 116p. **Bristol Street Group** rallied 2½p to 49p pending details of the company's offer for Griffiths Bentley.

Still benefiting from recent comment on investment and bid possibilities, **Inveresk** moved up 2p more to 54½p. Paper/Printings were otherwise quiet but firmer, where changed.

Leading Properties were better for choice, while buying interest was seen in second-line stocks. Folowing news of the bid of 140p cash from **Legal and General** (3p better at 153p), **Cavendish Land** closed 1½p better at 133p after another fairly active business. Demand continued for **Lane Fox** which advanced 10p further to 268p. Trading statements failed to help **Wingate**, 7p lower at 388p, and **Slough Estates**, 4p easier at 71½p.

Oil rally fades

The technical rally in Oils which began on Wednesday went a stage further in the early trading yesterday, the leaders showing fresh gains of up to 8p at one point. It eventually petered out, however, and **British Petroleum** after reaching 514p settled 1p down on the day at 505p, while **Shell** closed unchanged at 291½p, after 294p. **Burmah**, likewise, changed hands up to 426p and ended 1p cheaper on balance at 415p. Elsewhere, **Royal Dutch** responded to Amsterdam advices and rose ⅜ more to £20⅝, but **Oil Exploration** reacted on profit-taking to 101p, down 6p. Among the overseas section, **Woodside-Burmah** recovered 9p further to 119p and **Canadian Geothermal** picked up 7p at 92p.

Favourable Press comment helped **Dalgety** firm 7p to 260p in Financials where **NMA Wright Stephenson** hardened 2p more to 139p for a similar reason. **Slater, Walker Australia** improved 3p to 60p but, after an early spurt of speculative interest, **Williams Hudson** turned easier and gave up 2½p to 161½p. **Alliance Trust** added 2p to 182p in front of to-day's interim results.

Shippings attracted a much bigger interest than of late and improvements of 2½p were marked against **John I. Jacobs**, 46½p, and **"Lofs,"** 96½p. **P & O Deferred** ended 1p dearer at 285p.

Youghal Carpets put on 6p to 158p on satisfaction with the interim results while **Stoddard** issues continued to make headway in response to the sharply higher profits and the return to the dividend list; the Ordinary closed another 3½p better at 92p and the "A" 5p up at 91p. **Carpets International** attracted buyers and rose 4p to 116p but **Courtaulds**, after a firm start, drifted lower on lack of follow-through support and, at 133½p, lost 1½p of the previous day's 2½p rise.

Tobaccos closed little changed after an idle trade.

Several Teas were marked slightly lower following the Indian Finance Ministry's move to prescribe tough new laws to curb the outflow of foreign exchange. **British Indian** declined 5p to a 1973 "low" of 80p while losses of 1p and 2p respectively were recorded **Assam and African**, 47p, and **Assam Frontier**, 84p. Rubbers were inclined harder in quiet trading, **Kuala Lumpur-Kepong** ending 3p better at 142p.

Australians up again

Helped by firmer overnight home markets, Australian issues initially continued along Wednesday's recovery trail but London selling was later seen at the higher levels. Even so, prices ended up on balance in the majority of cases. **Poseidon** were 10p better at 430p after 440p. **MIM Holdings**, at 162p, were 8p to the good and **Broken Hill South** regained 9p at 154p.

Bougainville were 6p better at 180p after 182p while **Peko-Wallsend** were unaltered at 365p after 370p. Following the three-fold increase in half-year profits **NBHC Holdings** rose 8p to 235p.

Although there was a reaction of $2 to $105.25 per ounce in the free market gold price, South African producers of the metal continued in the recent firmer vein. Bear closing and modest local interest, including some for "new-time," in a rather thin market led to gains of 30p in **Buffels** at 950p while **President Brand** put on 25p to 955p and **Doornfontein** were 15p higher at 495p.

Where changed, Financials were generally firmer although the day's best levels were not always held. **Anglo American** were another 5p up at 387p after 390p and **Rand Selection**, after touching 860p, ended 5p higher on balance at 850p.

Perhaps helped by further consideration of the higher profits "Johnnies" added ½ at £21½. Platinum issues, however, were easier in line with the trend in the Cape.

Buying, including some for "new-time," in front of the half-year results due on September 5 caused a 6p gain in **De Beers** at 380p while **Lonrho**, whose nine-months' profits are due shortly, added 6p at 71p.

In front of the increased profits announced after market hours by **Nchanga**, **ZCI** were 1½p up at 74½p. Tins continued to drift, London easing a further 3p to a year's low of 140p.

FINANCIAL TIMES STOCK INDICES

—	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	Aug. 22	A Year ago
Government Sec.	64.31	64.33	64.34	64.36	64.00	63.87	71.76
Fixed Interest	64.82	64.79	65.13	65.32	65.29	65.22	74.28
Industrial Ordinary*	417.7	417.7	413.2	414.6	414.4	415.6	522.3
Gold Mines	155.2	153.4	149.0	146.9	149.4	152.5	97.5
Ord Div Yield %	4.51	4.51	4.56	4.54	4.55	4.54	[illegible]
Earnings Yld % (full) (a)	10.09	10.09	10.19	10.16	10.16	10.09	†4.78
P.E. Ratio (net) (a) (b)	13.52	13.51	13.39	13.42	13.42	13.51	†20.93
Dealings marked	6,697	5,976	5,690	6,479	5,861	6,724	9,577

*10 a.m. 420.0 11 a.m. 418.6 Noon 417.9 1 p.m. 418.0 2 p.m. 418.0 3 p.m. 418.1

Latest Index 01-248 8026.

(a) Based on 50% Corporation Tax. (b) Nil=13.27. † On old basis.

HIGHS AND LOWS

—	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt Sec.	72.08 (22/1)	63.87 (22/8)	127.4 (9/1/35)	63.87 (22/8/73)
Fixed Int.	73.83 (24/1)	64.79 (29/8)	150.4 (28/11/47)	64.79 (29/8/73)
Ind Ord.	509.5 (10/1)	413.2 (28/8)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	203.6 (6/7)	93.6 (13/1)	203.6 (6/7/73)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 30	Aug. 29
Daily— Gilt Edged	129.0	114.3
Industrials	224.0	195.4
Speculative	121.2	126.4
Totals	152.4	156.0
5-day Avge.— Gilt Edged	124.6	126.1
Industrials	195.2	194.7
Speculative	111.6	106.1
Totals	135.2	135.3

Basic 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

FT—ACTUARIES INDICES

	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	Aug. 22	A Year ago
Industrial Group	168.56	168.05	167.21	167.42	167.71	168.21	214.94
500 Shares	177.58	177.10	175.83	176.16	176.40	176.95	224.36
Div. Yield pc.	4.25	4.26	4.29	4.28	4.28	4.26	3.20
P/E Ratio (net)	14.64	14.65	14.55	14.58	14.61	14.68	18.79
All Share	175.37	175.92	174.90	175.21	175.39	175.86	222.68
Consols Yield pc.	11.43	11.43	11.42	11.41	11.54	11.60	9.62

†On old basis.

NEW BENEFITS DEPUTY CHAIRMAN

Professor David V. Donnison has been appointed as deputy chairman of the Supplementary Benefits Commission as from September 1.

The professor, who succeeds the late Professor Titmuss, will continue also as Director of the Centre for Environmental Studies and visiting professor of environmental studies at the University College, London.

Recently Professor Donnison became a member of the Personal Social Services Council and of the Chief Scientist's Research Committee (Department of Health and Social Security).

Chairman of the commission, established under the Ministry of Social Security Act 1966, is Lord Collison.

AUTHORISED UNIT TRUSTS (p★★★)

(a) (g) Abacus Arbuthnot Ltd.
26, Pall Mall, Manchester 2

				§ Yield
Giants	37.8	40.8	+0.2	2.65
Giants Accum.	38.2	41.2	+0.2	2.65
Growth Units	31.8	34.5	+0.2	2.42
Growth Accum.	31.8	34.8	+0.2	2.42
Income Units	37.8	40.5	+0.2	5.30
Income Acc. Uts.	38.2	41.2	+0.2	5.30

Discretionary Unit Fd. Managers

				§ Yield %
Discr'ty Inc Aug 30	112.4	117.1	......	4.18
Do. Acc.	124.5	129.8	......	4.18

Drayton Unit Trust Managers Ltd.

(a) (g) Jessel Britannia Group

(a) (g) National Group

Scotbits Securities Limited

				§ Yield %
Scotbits	48.7	51.4	+0.1	2.54
Scotyield	43.8	46.5	+0.4	4.67
Scotshares	47.3	49.9	+0.1	5.20
Scotfunds	244.1	255.2	+0.8	1.40

[INSURANCE, PROPERTY, BONDS PRICES PAGE 35]

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Fidelity Mngmt. & Res. (Bda.) Ltd.
P.O. Box 670, Hamilton, Bermuda.

			§ Yield %
Fidelity Int. Fund	$20.75	......	—
Fidelity PacificFd	$23.94	......	—
Fidelity Ster. Fds.	—		
Series 'A' (Int'nal)	£4.25	......	—

Negit Ltd.
Bank of Bermuda Bldg., Hamilton, Brmda.
NAV Aug. 17 1973 | 509p | ...... | —

Old Court Fund Mgrs. Ltd.
P.O. Box 58, Hirzel Ct., Guernsey, C.I.

STOCK EXCHANGE DEALINGS from the Official List for August 30

Thursday, August 30	6,697	Tuesday, August 28	5,690	Thursday, August 23	5,861
Wednesday, August 29	5,976	Friday, August 24	5,479	Wednesday, August 22	6,724

The list below gives the prices at which bargains done yesterday by members of The Stock Exchange were recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (899)

BREWERIES & DISTILLS (188)

CANALS & DOCKS (10)

COMMERCIAL, INDUSTL. (3,586)

A—B

British Mohair Spinners New (25p) 48Φ
British Oxygen (25p) 63 ½ 4 2½. 8½pc Db. 1990 78Φ
British Printing Corporation (25p) 59 60
British Relay Wireless and Television (25p) 47 40‡
British Rollmakers Corpn. (25p) 56Φ 50 4½ 4
British Ropes (25p) 98
British Shoe Corporation 6½pc 3rd Pf. 59. 7pcDb. 76. 7pcLn. 63¼
British Sidac (50p) 75½Φ 7 4 6 5
British Steam Specialties (20p) 97
British Steel Construction (Brmnghm.) (25p) 8½Φ 9Φ 8¼
British Sugar Corp. xd 502 495 500

British Car Auction Group (10p) 117Φ 18 20½Φ 20
British Dredging (25p) xd 58
British Home Stores (25p) 260Φ 1 60 2 59
British Industrial Holdings (10p) 52½Φ 4½. 8pcLn. 72½Φ
British Insulated Callender's Cables (50p) 133½ 3 5 6. 6pcPf. 51. 6½pcDb. xd 65¼Φ ¼. 7pcDb. xd 64¼ ½
British Leyland Motor Corporation (25p) xd 26½Φ ¼Φ 6 ½ ¼ ¼ 5¼‡ ¼ 7 7½. 6pcLn. xd 46Φ 5½ 6½. 7½pcLn. xd 60. 8pcLn. xd 60½. 7½pcCnv. Ln. 69 ½
British Match Corporation 174. 5½pcPf. 46‡

Jessel Toynbee (25p) 70Φ ½‡ 70‡
Keyser Ullmann Hldgs. (25p) xd 250Φ 3Φ 8Φ 4 5
King Shaxson (20p) 59
Kleinwort, Benson Lonsdale (25p) 140
Lloyds Bank xd 254½Φ 63 7 5 2 4 2‡ 7½pcLn. 97Φ 6¾Φ 6Φ 7¼ 7 6¾ 7½
London County Secs. (25p) xd 188Φ 4 7 1
Mercury Secs. (25p) 148 4 7
Midland Bank xd 342 7 5 3 8 5‡. 7½pc Ln. 93¾Φ 1Φ 4 ½ ¼
Minster Assets (25p) xd 71½Φ 2Φ
Montagu Trust (25p) xd 305Φ
National Commercial Banking Gp. (20p) xd 155 9

C—D

Gold Cross Hospital Supplies (25p) 79½
Goldring (10p) 86 7
Goodkind (W.) Sons (10p) 41Φ
Goodman Bros. Stockman (5p) 19¼
Gordon Johnson-Stephens (Hldgs.) (25p) 56Φ 60 56½
Gough Cooper (20p) xd 125 7
Graham Wood Steel Gp. (20p) xd 46Φ ½ 6
Gramgas (10p) xd 44
Granada Gp. A (25p) xd 167Φ 5Φ 3‡ 6
Grand Metropolitan (50p) xd 110Φ 11½Φ 10pcLn. 146 108½ 9. 6¼pcPf. 55. 8½pcLn. 87. 9pcLn. 146
Granley Security Gp. (10p) xd 68 7
Grant Bros. (25p) 200Φ 2Φ 197

E—F

G—H

I—J—K

L—M

National Cash Register 4pcLn. 60½. 8½pc Ln. 72½
Needlers (25p) 33‡
New Day Hldgs. (10p) 99Φ 9
Newall Machine Tool (10p) 15Φ
Newarthill 163
Newman Granger Indus. (10p) 36
Newman Indus. (25p) 58
News International (25p) 164Φ 6Φ 5. 7¼pc Db. 67¼
Newton (John M.) 7pcPf. (50p) 29½
Normand Elec. Hldgs. (20p) 51Φ
Northern Develop. (Hldgs.) (10p) xd 113 17 12
Northern Foods (25p) xd 87½Φ 5½Φ 8 7 6 9. 6.25pcLn. 87Φ

N—O—P

Q—R—S

T—U—V

Tube Invs. 381Φ 7 2 6 80. 5.8pcLn. 53Φ. 7.7pcLn. 68. 6½pcLn. 82 1 88
Tunnel Cement B (50p) 197 5 6½
Turner Newall xd 179 8½ 8 80 77½
Turner (Ray) Grp. (10p) xd 78
Tyne Plywood (Hldgs.) 64
UBM Group (25p) 111 12
UDS Group (25p) 115 14½ 15½
U.K. Optical Indust. Hldgs. (25p) 100 1
U.U. Textiles (10p) 76 5‡ 5
Ultra Electronic (Hldgs.) (25p) 34½
Unigate (25p) 69½Φ 8 7½ 7 9 8‡ ½. 6½pcLn. 59¼
Unilever (25p) 327½Φ ½ 5‡ 7 8 6 ½ 9. 3½pcDb. 86 5¾. 4pcDb. 65Φ. 7¾pcLn. 65¾ ¼

W—Y—Z

INTERNL. BANK STOCK (1)

CORPN. & COUNTY—U.K. (88)

PUBLIC BOARDS, ETC.—U.K. (14)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (8)

FOREIGN STKS., BDS., ETC. (8)

CORPN. STKS.—FOREIGN (2)

U.K. AND COMMONWEALTH RAILWAYS (10)

FOREIGN RAILWAYS (7)

BANKS & DISCOUNT COS. (314)

FINANCIAL TRUSTS, ETC. (186)

GAS (12)

INSURANCE (129)

INVESTMENT TRUSTS (383)

UNIT TRUSTS (4)

IRON, COAL & STEEL (38)

MINES

Australian (71)

Miscellaneous (129)

Rhod. & E. African (18)

South African (176)

Elsburg (R1) 179 85 3 4 42
Free State Geduld (R0.50) 940Φ 40
General Mining Finance Corp. (R2) $US26.50Φ £13½ ¼
Gold Fields South Africa (R0.25) 15
Grootvlei Proprietary (R0.30) 110
Harmony (R0.50) 310Φ 5 12 10 13‡ 18‡
Hartebeestfontein (R1) 11¼‡ ¼
Jessel Props. (R1) 96. 8½pcPf. (R1) xd 46

West African (3)

Diamond (39)

OIL (249)

PROPERTY (281)

RUBBER (74)

Muar River Rubber (10p) 50½
Padang Senang Rubber (10p) 20
Pataling Rubber Estates (10p) 40 39½
Plantation Hldgs. (10p) 56.
St. George Rubber Hldgs. (10p)
Singapore Para Rubber Estates
Sungei Bahru Rubber Estates (10p) 40
Taiping Rubber Plantns. (10p) 28

FOOD PRICE MOVEMENTS

	August 30 £ per ton	Week ago £ per ton	Month ago £ per ton
BACON§			
Danish A.1†	680	650	620
British A.1†¶	680**	640**	610
Irish Special	640	610	600
Polish A.1†	640	610	600
Ulster A.1¶	650	630	610
BUTTER§	per cwt	per cwt	per cwt
NZ packet	22.00-22.25	22.00-22.25	21.90-22.25
English packet†	24.25-24.30	24.25	24.25-24.80
Danish salted packet†	24.77-25.94	25.21-25.50	24.77-25.38
CHEESE§			
English cheddar white rindless 40-lb sel.	24.00-25.00	24.05-25.00	25.00
NZ finest rindless 40-lb block	—	25.00	24.05
EGGS*			
Home-prod. Standard	—	2.60-2.05	2.35-2.60
Large	—	2.90-3.05	2.70-2.95

	August 30 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides	27.0—30.0	26.0—30.0	26.0—30.0
Eire forequarters	20.0—22.0	21.0—22.0	18.0—21.0
Argentine chilled rumps	62.0—64.0	60.0—62.0	59.0—62.0
LAMB			
English	26.0—30.0	26.0—30.0	26.0—31.0
NZ 2s-Ds	27.0—27.8	27.0—27.5	26.0—27.0
PORK (all weights)	17.0—22.5	16.0—22.5	16.0—23.5
MUTTON			
English ewes	—	10.5—13.0	10.5—13.0
POULTRY‡			
Broiler chickens all weights (oven ready)	19.5—23.0	19.0—22.0	18.0—21.5

* London Egg Exchange prices per 120 eggs not quoted this week. † Delivered. ‡ Prices on August 29. § London and National Provision Exchange prices. ¶ For week commencing September 3. ** FMC price.

Option Report—3-month Call rat[es]

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 21	Sept. 10	Nov. 22	Dec. 4
Sept. 11	Sept. 24	Dec. 6	Dec. 18
Sept. 25	Oct. 8	Dec. 20	Jan. 8

Trading in the Option market continued on quet a good scale. Money was given for the "call" of E. Scragg, Imperial Group, "Lefs," Amalgamated Investment and Property, Williams Hudson, I.C.I., De Beers, D[…] Spanish Telegraph, Dan[…] British Leyland, Haslem[ere] Estates, Bryanston Fina[nce], Royco, Argyle Securities, Du[…] Bitumastic, Barclays B[ank], "Bats", Marks and Spen[cer], Triumph Investment Tr[ust], House of Fraser and South Pacific Properties. No "pu[ts]" were reported but double opti[ons] were arranged in E. Scragg [and] I.C.I.

Industrials							
A.P.Cement	15	Glaxo	50	Slater Walker	12	Mines	
Assoc.Leisure	4	Grand Met.	10	Spillers	6	Anglo Amer.	[illegible]
Barclays Bank	20	G.U.S. "A"	25	Tesco	6	BrokenHillProp	[illegible]
Beecham	20	Guardian	29	Thorn 'A'	24	Cast	[illegible]
Boots Drug	17	G.K.N.	13	Tube Invest.	30	Charter Cons.	[illegible]
Bowaters	12	Hawker Sidd.	30	Unilever	23	Charterhall Fin.	[illegible]
B.A.T.	16	I.C.I.	11	Utd. Drapery	10	Cons. Gold	[illegible]
British Leyland	2½	"Imps"	5½	Vickers	9	De Beers Def.	[illegible]
British Oxygen	6	I.C.L.	[illegible]	Woolworth	7	F. S. Geduld	[illegible]
Burton 'A'	20	Inveresk Paper	[illegible]			Great Boulder	[illegible]
Cadbury's	6	Jessel Sec.	9	Property		Hampton Areas	[illegible]
Cannon St.	7	Legal & General	20	Cap Counties	11	Hampton Props	[illegible]
Courtaulds	8	Lloyds Bank	20	Land Securities	15	Kloof	[illegible]
Debenhams	10	"Lofs"	10	Peachy	12	Lonrho	[illegible]
Distillers	10	"Mams"	15	Star(Gt.Britain)	13	Lorains	[illegible]
		Marks&Spencer	12	Town & City	15	Metals Explor.	[illegible]

REGIONAL MARKETS

BELFAST

IRISH EXCHANGE

NORTHERN EXCHANGE

MIDLANDS & WESTERN

SCOTTISH EXCHANGE

هكذا من الأصل

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 11½%
(since July 27, 1973)

Day-to-day credit proved to be shorter supply in the London money market yesterday than at first expected, and the authorities gave a moderate amount of assistance by buying Treasury and bank bills from the Discount Houses. Initially, a fair balance had been looked for, but as the day went on it became apparent that revenue transfers to the Exchequer were sigificantly greater than Government disbursements. In addition, a margial shortage was carried over by the bnks from the previous day, and there was a net take-up of Treasury bills. Allowing for the changed view of the Government revenue-disbursements flow, the identified factors suggested a official help requirement broadly on the scle of that given.

A rate of 9½-9¾ per cent. was commonly bid for secured call loans, and 10½ per cent. was touched in places, while late business was often at about 10 per cent. In the inter-bank market, overnight loans opened in places at about 12 per cent., but business was transacted at levels down to 11½ per cent. and 11¼ per cent. or so, though some later deals were done at 12-12½ per cent.

In the various short-term fixed period markets, rates showed various adjustments, including both increases and decreases, but no clear trend was evident. The three-month sterling certificate yield ended at 14 7/16-14 9/16 per cent., against 14½-14¾ per cent. on Wednesday. The underlying condition of the market was again highly unsettled, however, and the rates given in the table below are again largely nominal.

Aug. 30 1973	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	11⅛-12⅛	—	—	—	—	9¾-10⅛	—	—	—
2 days notice	—	—	13-13¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅛-13⅛	13¼-13½	—	—	—	10⅛-10⅜	—	—	—
One month	14⅛-14¾	13¾-14¼	13¾-14	14¼-15	14⅝	—	10⅝-11	—	—	—
Two months	14⅜-14⅛	13⅝-14⅜	—	14¼-15	14⅝	—	10⅞-11¼	10 15/16-11	12¾-14⅛	13¾-15⅛
Three months	14 7/16-14 9/16	14-14⅝	14	14⅝-15¼	14⅝	—	11-11⅛	10 15/16-11 1/16	12⅝-15	13¾-15⅛
Six months	14¼-14	14-14¼	14	14¼-15¼	14¼	—	—	11-11⅛	12⅝-15	13¾-15⅛
Nine months	14¼-15⅜	13⅞-14¼	—	14¼-15¼	—	—	—	—	13⅛-15	13¾-15⅛
One year	14⅛-15¾	13⅞-14⅛	14-14¼	14⅜-15¼	—	—	—	—	—	—
Two years	15-12¾	—	12⅛-13⅛	—	—	—	—	—	—	—

† Local authorities and finance houses seven days' notice, other seven days fixed. * Longer-term local authorities mortgage rates nominally 13½-13½ per cent. for three years; 12½-12½ per cent. for four years; and 13-13½ per cent. for five years. ⊕ Bank bill rates in table are buying rates for prime paper; buying rate for four-month bank bills about 12½-14½ per cent.; four-month trade bills 13½-15½ per cent. Approximate selling rate for one-month Treasury bills 10½-10⅝ per cent., for two-month 10½-10⅝ per cent., and for three-month 10½-10⅝ per cent. Approximate selling rate for one-month bank bills 12-12⅛ per cent., two-month 12-12⅛ per cent., and for three-month 12-12½ per cent.; for one-month trade bills 13-14½ per cent., two-month 13-14½ per cent., and three-month 13-14½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 9 per cent. from August 1. Clearing Bank Deposit Rates (for small sums at seven days' notice) 9½ per cent., and Base Rates for lending 11 per cent. Treasury bills: Average tender rate of discount 10.9754 per cent.

Tax Reserve Certificates: Deposit earned a basic 8.12 per cent. in the April-June quarter if withdrawn within that quarter, and in the July-Sept. quarter basic interest accrued at a rate of 7.32 per cent. for deposits withdrawn within the quarter, and if not so withdrawn, at a rate to be fixed at the end of the quarter (by averaging the Treasury bill rate for the period). Bonus rate 3.5 per cent.

BANK BASE RATES

Allied Irish Banks Ltd.	11 %
Anglo-Eastern Bank	11½%
Anglo-Portuguese Bank	11 %
Banco de Bilbao	11 %
Bank of Cyprus	‡11½%
■ Wm. Brandt's	11 %
Brit. Bk. of Commerce	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
Choulartons	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	11 %
Dawnay Day	11½%
Duboff Brothers	11 %
Dunbar & Co. Ltd.	11½%
Duncan Lawrie	11 %
English Transcont.	11 %
First Maryland	11 %
FNFC	11 %
■ Antony Gibbs	11½%
Gresham Trust	11½%
Greyhound Guaranty	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	11 %
■ Hill Samuel	§11½%
C. Hoare & Co.	†11 %
Julian S. Hodge	11 %
Italian International	10½%
Jacobs, Kroll	11½%
Keyser Ullmann	11 %
Kinghurst Securities	11½%
London & County Sec.	11½%
London Mercantile	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
Morris Wigram Ltd.	11½%
Northern Comm. Tst.	12 %
■ Rea Brothers	11½%
■ N. M. Rothschild	11 %
St. Mary Axe Finance	11½%
E. S. Schwab	11 %
Security Tst. Co. Bhm.	11½%
Standard Guarantee	11½%
Sterling Credit	11½%
Sterling Industrial Sec.	11½%
Swiss-Israel Trade Bk.	11 %
Twentieth Century Bk.	11 %
Wallace Bros. Sassoon	11½%
Whiteaway Laidlaw	11 %
G. T. Whyte	11 %
Wintrust	12 %

■ Members of the Accepting Houses Committee.
* Seven-day deposits 9½%; one-month 9¾%.
† Seven-day deposits—on sums of £10,000 and under 9½%; up to £25,000 9¾%; over £25,000 10%.
§ Demand Deposits 10½%.
‡ Linked to M.L.R.

Peko Wallsend 363 8 75 70
Petrofina $US188●
Pilkington £10½
Pioneer Concrete 132
Poseidon 430 45 40 50
Rolinco 5½pc Cnv. Sr. Bds. £10
Sabina Inds. 71‡
Shell Canada A £10
Slater Walker (Australia) 80
Sleigh (H. C.) 40
South Aust. Brews. 87
Southern Pacific Properties 15½● 19
Stella Mining (Pt. Pd.) 4
Tara Exploration 735
Teledyne 350‡
Thiess Holdings 105●
Thos. Nationwide 156
Tooth Co. 220‡
Walter Kidd 500‡
Waltons 151
Weil and Aschheim 102½● 3●
Westfield Ld. 250
Westfield Minerals 58● ½●
Whim Creek 28● 9 32
Woodside Burmah 115 18 14 16 13 14‡
Yukon Consolidated 88● 6
(By permission of the Stock Exchange Council)

OILS (1)
Burmah 8½pcLn. '91-96
TEAS (4)
Assam & African — British Indian
Assam Frontier — Williamson
MINES (4)
London Tin — Selection Trust
Malay Dredging — Hampton Props.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	—	41
Corpns. Dom. and Foreign Bonds	4	15	65
Industrials	346	228	1,285
Financial and Prop.	141	105	435
Oils	6	5	22
Plantations	4	13	48
Mines	50	17	96
Recent Issues	11	3	26
Totals	567	368	1,971

CORAL INDEX
Close 414-419

NEW "HIGHS" AND "LOWS" FOR 1973

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1973:—

NEW "HIGHS" (12)

AMERICANS (1)
Crown Zellerbach
CANADIANS (2)
Cabot Exploration — Massey-Ferguson
Hawker Siddeley
BUILDINGS (1)
Jarvis (J.)
DRAPERY & STORES (1)
Aquascutum 'A'
ENGINEERING (2)
Gordon Johnson — Raine
PAPER (1)
Cavendish
PROPERTY (1)
Inveresk
TEXTILES (1)
Yorkshire Fine W.
TRUSTS (1)
East & West Inv.

NEW "LOWS" (71)

Hanger Invs.
SHIPPING (1)
Houlder Line
TEXTILES (1)
Beckman (A.)
TOBACCOS (1)
Gallaher
TRUSTS (14)
Embankment — New Court Europe
Foreest Ins. — Safeguard
General & Comm'l — Scot. & Cont. Inv.
Govett Europe — Throg. Growth Cap.
Hambros "B" — Triumph Inv.
Harcros Inv. — Allied City
Mendip — Unochrome

SHIPPING (70)

TEA & COFFEE (29)

TRAMWAYS & OMNIBUS (5)

WATERWORKS (11)

SPECIAL LIST
AUGUST 30 (3)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

AUGUST 30

International Pacific Corp.
Do. New 75●
Jardine Matheson 767
Jones Mining 6
Kambalda Bay Canning 1400 1●
Magellan Pets. (Aust.) 55
Metal Exploration 88● 8 81 2 60
Metramar Minerals 15½ 13
Mining Corp. (Australia) 22‡
Mount Lyell 106‡
New Metal Mines 50 5
Nicholas International 57 6
Norand Mines $£25⅝●
Norbank 74½ 5
Ohio Edison £10⅝
Pegasin 6

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1973 high	1973 low
Army and Navy	50p	18	648	+70	660	337
ICI	£1	13	241	—	294	236
Shell Transport	25p	13	288	—	363	274
House of Fraser	25p	12	108	—	158	108
BP	£1	11	505	−1	600	498
Burmah	£1	11	415	−1	506	410
De Beers Defd.	R0.05	11	380	+6	412	337
"BATS"	25p	10	254	—	303	231
Cavendish Land	10p	10	133	+1½	133	52
Courtaulds	25p	9	133½	−1½	166½	131
BLMC	25p	8	26½	+½	37½	25
Dalgety	£1	8	260	+7	295	241
Spillers	25p	8	54	−1	68	51½
Bowater	£1	7	161	—	224	151
Western Mining	$A0.50	7	122	+4	230	111

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

SHARE INFORMATION SERVICE: NOTES

Unless otherwise indicated prices are in pence, denominations are 25p and dividends are in gross percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts...

¶ Regional price.
‖ No par value.
§ Actual, or net; yield gross.
a Tax free. b Figures based on prospectus or other official estimate. c Cents.

Uranium enrichment: European partners offer 'better terms'

BY DAVID FISHLOCK, SCIENCE EDITOR

URANIUM enrichment services on terms that seem to be appreciably more attractive than present U.S. terms are now being offered by the European gas centrifuge partnership.

Urenco, the British-based commercial arm of the Anglo-Dutch-German project, is offering enrichment at a price of about DM120 ($48) per kilogram, compared with the U.S. price of about $50.

Price is just about one factor in a package that Urenco is marketing to West German utilities, others being escalation (the U.S. terms appear to assume 7 per cent. inflation over the next seven or eight years), the lead time (four years compared with eight for U.S. enrichment), and the terms for terminating or suspending a contract.

The company is hopeful of landing its first contracts—"at least one"—before the end of the year, Mr. T. Van den Burgh, Urenco's general manager, said last night.

Four or five West German utilities have enrichment requirements for the mid-1970s that have yet still to be fulfilled, although they are also being courted by the U.S. and Russian Government agencies.

Urenco is plannig to have 400 tonnes of uranium enrichment capacity on stream by the end of 1976, in addition to 75 tonnes of pilot plant capacity now nearing completion in Britain and the Netherlands.

Before the end of the year it hopes to have the green light from its shareholders in Britain, Germany and the Netherlands to construct the 4⁰ tonnes in two units of equal size at Capehurst, Cheshire, and Almelo, in the Netherlands.

The two plants may well use two different centrifuge technologies, chosen from the three brought together by the tripartite treaty in 1971. Meanwhile, the partners have embarked on a research programme desinged to produce a second-generation tripartite centrifuge technology, for installation beyond 1976.

Whitelaw initiative on police issue

BY RHYS DAVID — BELFAST, August 30

MR. WILLIAM WHITELAW, Secretary for Northern Ireland, will take suondings among the party leaders here early next wek to see if a conference can be aranged to disclss he issue of policing.

Officials believe that Mr. Heath's visit to the Province this week has been very useful, and that his calls for the parties represented in the Assembly to get down to discusions with each other will have results.

Apparently the government is determined that the momentum created by the visit should be maintained through Mr. Whitelaw in the next few weeks, and one likely move is a keynote speech by him some time next wek charting the way ahead.

The Government's guarded optimism on the results of the Prime Minister's visit has arisen partly because it is felt that agreement on the divisive policing issue could be possible fairly soon.

There is some relief that the Social Democratic and Labour Party appears no longer to be demanding a totally new force to replace the Royal Ulster Constabularly and is apparently not concerned that its name should be changed either.

On the Unionist side it seems there would be acceptance of substantial changes in the internal organisation of the RUC although the party has insisted it will want to see the basic structure and identity remaining the same.

The party's leadership would apparently not raise objections to a Roman Catholic being appointed to succeed Sir Graham Shillington, who retires as chief constable at the end of this month, or to a senior English officer winning the post.

An all-party conference on policing was suggested to Mr. Heath by SDLP politicians during his visit, and he said he would consider the idea. Since then the Unionists have agreed in principle to talks. Of the other parties, Alliance would also be certain to attend.

For the SDLP, the start of talks on policing could make it easier for the party to allow progress in other fields as it would represent a step towards the patry's insistence that there must be movement on a number of issues simultaneously and not a simple concentration on setting up an executive to the exclusion of everything else.

The SDLP, in particular, is concerned that any show of eagerness on its part to compromise could alienate the support it won in the elections.

● An Army bomb disposal expert was killed to-day when a device he was attempting to defuse in the border village of Pettigoe, Co. Fermanagh, exploded. He was the first British soldier to be killed for more than five weeks—one of the longest gaps without a fatality experienced by the Army.

BANK RETURN

—	Wednesday Aug. 29 1973	Inc. (+) or dec. (—) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,057,340	— 4,424,505
Special Deposits	1,072,545,000	+ 133,770,000
Bankers	252,530,777	— 90,557,563
Reserves & Other Accs.	297,925,292	+ 11,427,641
	1,658,661,409	— 83,854,427
ASSETS		
Govt. Securities	1,421,013,180	+ 51,740,000
Advance & Other Accs.	38,065,502	— 131,518,883
Premises, Equip't & other Secs.	160,937,361	— 12,769,831
Notes	38,454,770	+ 8,719,490
Coin	212,626	— 8,194
	1,658,661,409	— 83,854,427
Reserves	38,667,396	+ 8,711,296
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	4,575,000,000	— 50,000,000
In Circulation	4,536,545,230	— 58,719,490
In Bank's Depts.	38,454,770	+ 8,719,490
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	3,881,147,145	+ 2,609,205
Other Securities	682,837,755	— 2,609,205
Coin	—	—
	4,575,000,000	— 50,000,000

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Thursday, August 30, 1973: Index No.	Day's Change %	Est. Earnings yield % (full)	Gross Div. yield %	Est. P/E Ratio (net)	Est. P/E Ratio (nil)	Wed. Aug. 29: Index No.	Tuesday Aug. 28: Index No.	Friday Aug. 24: Index No.	Thurs. Aug. 23: Index No.	Year ago (approx): Index No.	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (184)	157.95	+0.4	10.69	4.45	12.99	12.87	157.40	156.70	156.82	157.69	191.41	186.03 (17/1)	156.70 (25/8)	206.67 (4/6/72)	82.82 (25/6/66)
2	Building Materials (29)	165.93	+0.3	11.77	4.38	11.68	11.68	165.46	163.25	163.17	165.46	201.85	196.69 (2/1)	160.66 (9/3)	233.94 (2/5/72)	85.01 (25/6/62)
3	Contracting, Construction (22)	278.26	+1.2	11.18	3.03	12.62	12.58	274.90	274.53	274.23	276.48	372.72	348.47 (17/1)	263.95 (5/3)	389.53 (19/5/72)	84.59 (27/6/66)
4	Electricals (16)	265.54	+0.2	10.45	3.82	13.21	13.21	264.77	261.33	262.83	261.73	315.76	307.90 (9/1)	259.35 (27/7)	350.04 (4/6/72)	84.71 (25/6/62)
5	Engineering (Heavy) (15)	174.48	−0.2	11.72	4.45	11.26	11.26	174.89	174.77	174.94	176.82	172.43	202.57 (8/6)	163.41 (5/3)	202.57 (8/6/73)	151.46 (28/9/72)
6	Engineering (General) (64)	132.74	+0.2	10.53	5.28	13.26	13.27	132.49	131.96	132.06	132.47	162.05	168.64 (2/1)	131.96 (28/8)	168.69 (4/5/72)	131.96 (28/8/73)
7	Machine and Other Tools (14)	57.29	+0.4	4.88	7.10	35.58	32.73	57.07	56.87	56.84	56.98	67.15	67.66 (8/6)	56.84 (24/8)	136.70 (4/7/68)	43.66 (6/3/71)
8	Miscellaneous (24)	144.45	+0.7	9.55	4.31	14.66	14.63	143.45	143.47	143.51	144.16	170.98	173.76 (11/1)	143.46 (29/8)	177.41 (27/4/73)	69.01 (8/11/65)
9	CONSUMER GOODS (DURABLE) (60)	165.69	+0.7	11.53	3.78	12.01	11.98	164.75	164.55	164.54	164.78	217.08	210.88 (11/1)	164.54 (24/8)	227.78 (21/4/72)	79.16 (25/6/62)
10	Lt. Electronics, Radio TV (14)	194.70	+0.3	9.30	2.43	15.02	14.94	194.08	194.11	193.87	193.61	246.37	251.93 (11/1)	187.21 (11/6)	257.41 (19/6/72)	71.10 (16/1/68)
11	Household Goods (16)	199.83	+0.4	14.52	4.17	9.64	9.69	198.97	199.05	198.78	199.71	255.95	237.99 (2/1)	198.78 (24/8)	263.22 (4/5/72)	86.65 (26/6/62)
12	Motors and Distributors (30)	96.04	+1.2	13.37	5.33	10.29	10.29	94.87	94.54	94.71	94.94	133.50	122.75 (17/1)	94.54 (28/8)	170.69 (15/1/69)	75.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) (170)	167.85	+0.2	10.05	4.32	13.72	13.61	167.54	166.54	166.95	167.01	220.06	212.13 (2/1)	165.83 (27/7)	226.08 (16/8/72)	83.71 (6/11/66)
14	Breweries (16)	194.66	+0.4	10.18	4.47	14.04	14.04	193.94	192.15	193.54	193.57	268.59	265.23 (2/1)	187.61 (27/7)	281.87 (22/11/72)	80.30 (30/6/66)
15	Wines and Spirits (8)	188.14	—	9.73	4.49	14.48	14.48	188.14	186.52	186.55	187.72	221.11	216.12 (17/1)	174.44 (11/7)	257.40 (13/7/72)	118.78 (15/6/70)
16	Entertainment, Catering (16)	215.41	+0.3	10.53	4.71	12.98	12.95	215.77	215.61	216.45	216.58	304.83	323.23 (19/7)	215.61 (28/8)	329.99 (12/12/72)	30.11 (23/7/62)
17	Food Manufacturing (24)	149.37	−0.1	11.11	4.44	12.35	12.35	149.50	148.22	149.20	149.70	196.97	187.87 (2/1)	148.22 (28/8)	211.65 (1/6/72)	95.98 (15/6/70)
18	Food Retailing (18)	155.18	+0.1	8.14	3.10	17.54	17.54	155.09	153.51	153.78	153.80	226.70	217.48 (2/1)	151.08 (27/7)	235.08 (15/8/72)	94.62 (25/5/70)
19	Newspapers, Publishing (16)	220.71	+0.5	11.58	5.92	12.26	12.25	219.67	218.49	219.58	221.14	248.70	260.29 (18/1)	217.94 (30/7)	260.29 (18/1/73)	81.74 (6/6/62)
20	Packaging and Paper (15)	100.73	+0.5	11.15	5.40	12.27	12.24	100.27	99.45	99.60	99.42	129.58	126.47 (2/1)	99.12 (22/8)	135.69 (28/4/72)	87.91 (25/6/62)
21	Stores (28)	154.18	+0.4	8.60	5.54	16.80	16.80	153.57	153.06	152.94	152.71	197.88	186.50 (2/1)	148.34 (9/3)	204.39 (16/8/72)	72.74 (8/11/66)
22	Textiles (20)	166.60	−0.2	13.27	5.54	8.82	8.22	166.99	165.15	165.32	164.86	225.63	213.80 (2/1)	164.47 (27/7)	253.72 (17/8/68)	89.90 (20/7/62)
23	Tobacco (3)	245.63	−0.1	11.49	6.40	12.10	12.05	245.86	246.96	246.97	246.20	308.34	289.66 (2/1)	242.10 (27/7)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.91	+1.3	10.87	3.31	13.04	13.04	62.12	62.16	61.76	62.13	73.96	80.79 (16/1)	61.76 (24/8)	135.72 (16/1/70)	44.90 (8/9/71)
	OTHER GROUPS															
25	Chemicals (22)	158.84	—	8.33	4.43	16.60	16.57	158.78	157.26	157.19	156.66	196.06	191.47 (17/1)	155.35 (27/7)	201.92 (31/1/69)	93.29 (25/6/62)
26	Office Equipment (10)	176.83	+0.3	5.71	2.38	23.06	23.06	176.34	176.52	176.49	175.88	244.26	227.68 (9/1)	163.93 (21/5)	246.06 (1/9/72)	109.12 (26/5/70)
27	Shipping (10)	443.03	+0.3	8.57	3.96	13.86	12.46	441.69	442.74	443.09	442.65	468.57	515.97 (19/1)	441.69 (29/8)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (41)	191.99	+0.7	9.86	4.01	14.28	14.27	190.58	189.76	189.92	191.00	250.39	242.39 (17/1)	189.76 (28/8)	258.85 (2/5/72)	76.52 (6/11/66)
29	INDUSTRIAL GROUP (497)	168.56	+0.3	9.94	4.22	13.86	13.76	168.05	167.21	167.42	167.71	214.94	207.00 (2/1)	167.21 (28/8)	220.17 (1/5/72)	120.61 (2/5/71)
30	Oil (3)	272.81	−0.1	5.54	4.52	23.95	18.08	272.51	266.43	268.20	267.78	332.73	328.39 (15/1)	266.03 (21/8)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	177.55	+0.2	9.39	4.25	14.64	14.19	177.10	175.83	176.16	176.40	234.36	217.40 (10/1)	175.83 (28/8)	237.95 (16/8/72)	84.86 (26/6/62)
32	FINANCIAL GROUP (101)	178.41	+0.3	—	3.45	—	—	177.95	177.29	177.44	177.52	221.43	230.42 (9/1)	177.29 (28/8)	241.41 (21/4/72)	59.85 (30/5/66)
33	Banks (6)	196.53	+0.2	13.65	3.80	10.35	10.35	196.13	194.63	194.38	194.12	244.48	269.62 (9/1)	194.01 (22/8)	288.32 (20/7/71)	69.25 (16/6/64)
34	Discount Houses (8)	179.82	+0.1	—	6.52	—	—	179.56	179.56	180.86	184.49	245.23	258.57 (23/6)	179.56 (28/8)	293.13 (2/5/72)	87.65 (18/6/69)
35	Hire Purchase (5)	296.15	+0.4	11.09	4.26	12.96	12.96	295.02	292.83	291.12	290.55	412.12	374.92 (9/1)	290.55 (23/8)	433.72 (4/5/72)	80.02 (5/8/66)
36	Insurance (Life) (9)	134.16	+0.6	—	4.02	—	—	133.38	132.62	132.76	133.54	186.22	186.36 (8/1)	132.62 (28/8)	194.46 (15/3/72)	61.35 (30/8/66)
37	Insurance (Composite) (8)	105.34	−0.4	—	4.84	—	—	105.72	105.48	105.68	105.56	144.35	141.37 (8/1)	105.34 (30/8)	155.76 (21/4/72)	54.40 (16/3/66)
38	Insurance (Brokers) (8)	194.35	+1.1	8.06	3.79	17.53	17.53	192.16	190.98	191.66	191.75	240.19	249.06 (2/1)	190.98 (28/8)	262.37 (12/12/72)	82.59 (24/7/69)
39	Merchant Banks (18)	188.45	+1.0	—	2.95	—	—	186.64	187.19	187.80	188.18	229.89	255.12 (9/1)	186.64 (29/8)	278.57 (1/5/72)	50.47 (15/7/66)
40	Property (29)	286.66	+0.2	3.50	2.13	38.27	37.55	286.14	285.29	285.29	284.88	295.23	310.44 (2/1)	222.63 (2/3)	324.28 (26/4/72)	56.01 (20/4/65)
41	Miscellaneous (10)	184.69	−0.1	10.09	4.98	14.05	14.05	184.81	185.97	188.64	190.29	255.78	261.14 (17/1)	184.69 (30/8)	303.15 (18/5/72)	120.06 (31/12/70)
42	Investment Trust Group (50)	174.71	+0.3	3.28	3.29	30.49	30.49	174.15	174.89	175.37	176.21	232.51	226.13 (18/1)	172.00 (11/6)	245.79 (25/4/72)	80.84 (25/6/62)
43	ALL-SHARE INDEX (651)	176.37	+0.3	—	4.05	—	—	175.92	174.90	175.21	175.39	222.68	219.02 (10/1)	174.90 (28/8)	228.18 (1/5/72)	83.72 (25/6/62)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	454.51	−0.2	4.70	4.38	28.46	22.75	455.53	459.30	476.27	478.66	334.06	555.37 (23/7)	415.62 (22/1)	555.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	108.46	−0.9	3.90	6.94	59.49	56.65	109.41	109.06	109.30	109.51	110.48	120.92 (16/1)	108.46 (30/8)	121.47 (1/5/72)	59.96 (14/11/68)
46	Coppers (4)	499.75	−0.8	19.82	8.05	5.04	5.04	503.85	504.99	503.68	503.68	409.00	567.78 (13/7)	446.73 (9/5)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	105.77	−1.7	5.43	2.91	19.08	19.62	107.63	107.08	109.88	110.06	123.37	127.69 (26/7)	105.77 (30/8)	175.90 (28/4/69)	70.93 (2/11/71)
48	Tins (8)	92.11	−1.2	7.72	6.96	17.41	13.68	92.33	92.89	95.04	95.57	109.10	125.34 (12/1)	92.11 (30/8)	125.34 (12/1/73)	54.83 (27/5/71)

	FIXED INTEREST	Thurs., August 30: Index No.	Yield %	Wed. August 29	Tuesday August 28	Friday August 24	Thurs. August 23	Wed. August 22	Tuesday August 21	Monday August 20	Year ago (approx.)	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	11.45	11.45	11.42	11.41	11.54	11.60	11.46	11.53	9.62	—	—	—	—
2	20-yr. Govt. Stocks (6)	62.31	‡10.67	62.33	62.38	62.43	61.98	61.86	62.32	62.85	74.46	74.92 (23/1)	61.86 (22/8)	115.42 (11/9/63)	61.86 (22/8/73)
3	20-yr. Red. Deb. & Loans (15)	62.55	‡11.87	62.53	62.66	62.72	62.72	62.77	62.62	62.87	73.00	72.05 (22/2)	62.53 (30/8)	113.43 (23/10/63)	62.53 (30/8/73)
4	Investment Trusts Prefs. (15)	54.83	12.08	54.83	55.30	55.30	55.54	55.80	55.80	55.80	60.38	69.76 (15/1)	54.83 (29/8)	114.41 (13/9/63)	54.83 (29/8/73)
5	Coml. and Indl. Prefs. (20)	68.57	11.37	68.63	68.81	68.91	68.99	69.10	69.29	69.75	83.04	77.53 (3/1)	68.57 (30/8)	114.41 (7/10/63)	68.57 (30/8/73)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Engineering (Heavy)	31/12/71	153.84	Industrial Group	31/12/70	128.06
Engineering (General)	31/12/71	153.84	Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13	All Other	10/4/62	100.00
Food Retailing	29/12/67	114.13			
Insurance Brokers	29/12/67	96.67			
Mining Finance	29/12/67	100.00			
Wines and Spirits	16/1/70	144.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			

‡ Redemption yield. F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the F.T.-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGES: Montagu Trust has been replaced by Edward Bates and Sons Ltd. (Merchant Banks). Ada (Halifax) (Stores) has been replaced by Pye Holdings (Lighting, Electronics, Radio and TV).

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.
1-3, St. Paul's Churchyard, E.C.4. 248 9111

				§ Yield %
Abbey Eq. Aug. 30	30.2	31.8	−0.1	—
do. Acc Unit Aug30	22.9	24.2	−0.2	—
do. Abbey Pr Aug. 7	148.8	156.8	—	—
do. Acc Unit Aug. 7	131.3	138.3	—	—
do. Pen Unit Aug. 7	134.5	141.6	—	—

Ebor Phoenix Assurance
4 Gt. St. Helen's, London, EC3. 01-588 1717

Assured Bd Aug 2	54.4	—	—
End'wmentsAg21	55.1	—	—

Fidelity Life Assurance Ltd.
Fidelity House, Corporation Street, High Wycombe. Tel. HW 36821.

♥American Gth Fd	35.9	37.8	—
♥Flexible Fund	20.6	21.7	—

Life & Equity Assurance
Northcliffe House, Colston Ave., Bristol, BS1 4XB. 0272 297281

♥Sel. Inv. Aug 20	42.0	44.5	—
♥Sel. Hn. Aug 20	56.5	60.0	—

Life Assur. Co. of Pennsylvania
39-42, New Bond St., NW1Y 9RQ. 01-493 8395

♥ACOP Units	922	968	—

Lloyd's Life Assurance Ltd.

Royal Insurance Group
1, North John St., Liverpool. 051-236 6622

♥Royal Shield Fnd	103.1	109.1	—

Save and Prosper Group
4, Gt. St. Helen's, London, E.C.3. 588 1717

♥Bal'ned Inv. Bd	95.0	100.1	+0.8	—
♥Equity Bonds	85.7	90.3	+0.4	—
Equity Pens. on Fd.	95.6	100.7	+0.8	—
♥Mini Bonds	24.1	25.5	—	—

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99⅜	97½	Treasury 5¼pc 1973	98½	+1/16	5.33	10.68
98⅛	95¾	Conv. 5¼pc 1974	96¼	......	5.45	10.34
98½	95⅜	Treasury 5½pc 1974	95⅞xd	......	5.73	9.63
99⅞	95⅜	Treasury 6¾pc 1974	95⅞	......	7.04	10.22
97¾	93⅝	Treasury 6pc 1975	94⅜	+1/16	6.36	10.36
99⅝	94⅝	Treasury 8pc 1975●	95⅝	......	8.36	10.81
92⅞	88⅜	Savings 3pc '65-75	89¼	......	3.34	8.31
95	90¾	Exch. 6½pc 1976	90⅞xd	+1/16	7.15	10.78
95¾	89⅜	Treasury 6½pc 1976	89⅞	+1/16	7.23	10.57
98½	96	Victory 4pc 1976	96½xd	......	4.15	6.44
91⅜	86⅜	Treasury 6¼pc 1977	86⅞xd	+1/16	7.19	10.84
87	82¾	Electric 3pc '74-77	83¼xd	......	3.60	8.60
85¾	81	Transport 4pc '72-77	81¼	......	4.92	9.38
101⅛	92	Treasury 8pc 1978	92⅜xd	......	9.70	11.11
Five to Fifteen Years						
86⅜	77⅞	Exchequer 5pc '76-78	73⅜xd	......	6.35	10.53
75½	69⅞	Treasury 3pc 1979●	70½xd	......	4.25	9.53
81⅝	72½	Electric 4½pc '74-79	75xd	......	5.80	10.27
77⅝	71¼	Do. 3½pc '76-79	71¾	......	4.95	9.92
100⅜	89⅞	Treasury 9pc 1980●	90½xd	....	9.93	11.08
75⅞	63¾	Treasury 3½pc '77-80	69¼	......	5.11	9.99
83¼	74⅞	Funding 5¼pc '78-80	75⅜	......	7.07	10.66
75¾	66½	Treasury 3½pc '79-81	66⅞	......	5.24	9.91
97¼	86½	Do 8½pc '80-82	87	......	9.87	11.11
80⅝	70⅞	Funding 5½pc '82-84	71⅜	......	7.78	10.12
95½	83½	Treasury 8½pc '84-86	84	......	10.27	11.03
81⅝	71	Funding 6½pc '85-87	71½	......	9.38	10.65
87¼	75¾	Treasury 7¾pc '85-88	76¼	......	10.27	11.21
54⅞	47⅞	Transport 3pc '78-88	47⅞	......	6.33	9.80
Over Fifteen Years						
68⅛	58⅝	Treasury 5pc '86-89	59⅝	......	8.74	10.58
90⅞	78¾	Treasury 8¼pc '87-90	78¾	......	10.71	11.33
72⅞	62½	Funding 5¾pc '87-91	63	......	9.48	10.78
72¾	59⅝	Funding 6pc 1993	60½xd	......	9.94	10.51
95½	83	Treasury 9pc '94	83½	......	11.12	11.39
47⅞	39⅞	Gas 3pc '90-95	40	....	7.71	9.87
96¾	80	Treasury 9pc '92-96	80½xd	......	11.12	11.37
52	43¾	Redp. 3pc '86-96	43¾xd	......	6.81	8.64
94⅛	77⅞	Treasury 8¾pc 1997	78½xd	......	11.19	11.43
75¾	64⅝	Treasury 6¾pc '95-98	65⅛	......	10.73	11.20
98⅛	84¾	Treasury 9½pc 1999●	85¼	......	11.30	11.42
43¾	36⅞	Funding 3½pc '99-04	36⅞	......	9.61	10.43
85¼	73⅝	Treasury 8pc '02-06	74⅛	......	11.28	11.40
61⅛	49½	Treasury 5½pc '08-12	50xd	......	10.96	11.13
79⅞	68¼	Treasury 7¾pc '12-15	68¾	......	11.39	11.44
Undated						
40⅝	34½	Consols 4pc	34⅞	......	11.57	—
36¾	31⅛	War Loan 3½pc	31¼	......	11.33	—
37	30⅜	Conv. 3½pc '61 Aft.	30⅝xd	......	11.41	—
31½	26⅞	Treasury 3pc '66 Aft.	27⅛	......	11.58	—
25¾	21⅞	Consols 2½pc	22¼	......	11.43	—
26⅜	21¾	Treasury 2½pc	21¾xd	......	11.38	—

●"Tap" Stocks

INTERNATIONAL BANK

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
94¾	90	3½pc Stock '69-74	92	......	3.80	11.24
81	67½	5pc Stock '77-82	67½	......	7.30	10.47
99¾	91½	8pc Stock 1976	91½	–½	8.74	11.51

CORPORATION LOANS

1973 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
91	87	Belfast 6pc '73-75	90	+¼	6.67	12.83
91	83¼	Bristol 6½pc '75-77	83¼	......	7.80	12.68
86⅛	78½	Essex 5¼pc '75-77	75¾	+¼	6.98	12.67
93¾	85⅞	G.L.C. 6¾pc 1976	85⅞	–⅛	7.86	12.63
93¾	84¾	Do 7¼pc 1977	84¾	–½	8.56	12.77
79¾	70½	Herts. 5½pc '78-80	70⅝	......	7.59	12.06
91⅞	86⅝	Liverpool 5¼pc '71-76	86⅝	–⅛	5.34	13.17
104½	95	Do. 9¼pc '80-84	93¾	–¼	10.56	10.94
34¾	28½	Do. 3½pc Irred.	29½	......	12.56	—
90¼	78¾	Lon. Corp. 6¼pc '75-78	79½	......	8.19	12.12

COMMONWEALTH & AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 23⅞% (based on $2.0621 per £)

CANADIANS

S.E. List Premium 23⅞% (based on $2.0747 per £)

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

For Notes, see page 35

BANKS AND HIRE PURCHASE

Hire Purchase etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS—(Miscell.)

INDUSTRIALS—Continued

Stock	Price	+ or −	Div.	Cvr	Yld pc	P/E
Judge Int.	57	+½	‡h7.4	2.6	4.6	12.7
Kalamazoo	173	+2	32	2.1	4.6	14.5
Kelsey Ind. 12½p	62xd	......	†25	3.1	3.8	12.2
Kennedy Sm. 10p	34	......	†20	3.1	7.4	6.2
Kent (Geo.) 50p	60xd	+6	‡2.1	—	2.5	—
Kleeman	140	......	19.7	3.1	3.5	13.0
Kode Int.	33	......	2‡2.8	—	3.0	45.8
L.C.P. Hlds.	83	−2	‡10.7	2.5	4.6	12.2
L.R.C. Int. 10p	68xd	......	‡29.4	φ	6.2	φ
Lambert Inds.	72	+1	†‡9.5	1.4	4.8	19.8
Laurence	42	......	†14	2.1	8.5	7.1
Le Bas (Ed)	54	......	‡4.9	6.9	3.3	6.3
Lebell Mobel 10p	59	−1	hd‡9	3.4	2.2	19.3
Lehrs Harris	154	+2	‡12	—	2.0	7.8
Leisure Car. 10p	65	+2	‡24	1.8	5.3	14.7
Lep Group 10p	190	+5	32	3.6	1.7	18.3
Lesney Prods. 5p	37	+2	‡d14	3.9	2.7	13.5
Liden 10p	36	......	†15¾	3.6	4.4	8.9
Light & Leis. 10p	77	......	d25	2.5	3.2	17.4
Lindsay Wm.	83	......	‡‡10	F2.3	3.1	20.3
Lindustries	78	......	†19	2.1	6.1	11.0
Lipton (L.)	96	−3	10	1.7	2.6	33.1
Lloyds Ind. 10p	74	......	‡26½	2.7	5.1	10.3
Lon. & Nthn. Sec.	53½	......	618	2.3	8.4	7.5
Long Hmbly. 10p	20	......	5	0.5	2.5	—
Longton Trans.	50xd	+2	‡10.5	φ	7.5	φ
Lonsdale Univsl.	116	......	†h14.2	2.4	3.1	19.2
Low & Bonar 50p	165	......	‡14.7	2.1	6.4	8.8
Lyon & Lyon	48	......	‡7	1.5	5.3	17.8

††INSURANCE

1973 High	1973 Low	Stock	Price	+ or −	Div.	Cvr
180	123	Brentnall Bd. 10p	123	......	†37	b3.3
252	176	Britannic 5p	176	......	†‡12.1	—
975	490	Comb. Ins. Am. $1	640	+10	†151c	—
230	161	Comm. Union	162	−1	34.6	—
210	144	Eagle Star	144	......	h‡16.5	—
402	375	Economic £1	375	−5	‡9.8	—
342	248	Equity & Law 5p	248	......	‡91.9	—
62	46	Fenchurch 10p	46	......	h30	1.4
65	45	Do. "A" 10p	45	......	h30	1.4
206	148	Gen. Accident	152	−1	†‡19.1	—
90	44½	Grangas 10p	45xd	......	‡14	1.8
268	207	Guardian Royal	207	......	‡27.3	—
148	119	Halford Sh'd 10p	120	......	b60	1.9
303	220	Heath (C.E.) 20p	226	+3	‡36¾	2.3
126½	85	Howden (A.) 10p	86	......	h26⅔	3.0
212	150	Legal & Gen. 5p	153	+3	‡77.2	—
155	102	Les. & Gdwn. 10p	103	......	h‡30.6	2.2
184	146	Lon. & Man. 5p	154	−2	‡75	—
248	193	Matthew Wr. 20p	200	+4	‡28.9	2.1
£128	£98	Do. 7¾% Conv.	£98	......	7¾	16.2
318	222	Minet Hldgs. 20p	226	+2	h‡15.2	3.9
290	250	Orion 50p	260	......	‡11.5	—
404	270	Pearl 5p	274	+1	†23.6	—
270	213	Phoenix	214	......	‡27.9	—
175	128	Provident "A"	128	......	‡22	—
165	128	Do. "B"	128	......	‡22	—
199	141	Prudential 5p	143	......	‡87.4	—
225	150	Refuge 'B' 5p	152	......	‡132	—

MACHINE TOOLS

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Continued

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TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISAL

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

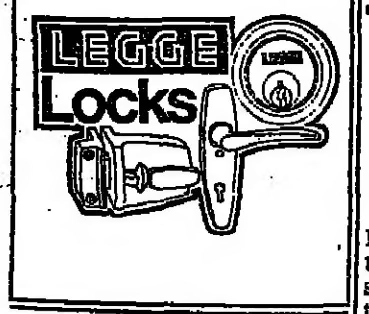
CENTRAL AFRICAN

AUSTRALIANS

TINS

COPPER

MISCELLANEOUS



Lombard

Metric measures for food

BY JOE ROGALY

ANYONE who has forgotten the psychological damage done to price-conscious consumers by the change to decimal coinage should go out and buy a cucumber. Prices vary, of course, but the cellophane-wrapped half-cucumber I bought the other day cost 10p. Two shillings. That is, four shillings for a whole cucumber. The fact that shops can sell cucumbers at such prices is sufficient evidence of how stunned and dizzy most of us have been made by the change in coinage.

As far as decimalisation is concerned, the damage is done. The lesson is of major importance, however, since it is quite possible (although hardly believable) that the same mistake is about to be made all over again. For Britain is now being moved to a system of decimal weights and measures for foods and groceries, and it seems that the Government is not yet doing anything like enough to prevent a further deadening of price-consciousness of the kind experienced when we moved from £.s.d. to £.p.

"By stealth"

The move to metric foodstuffs is starting slowly. The Department of Trade and Industry is now consulting "interested organisations"—those famous protectors of the interests of the individual—about a proposed Ministerial Order that would permit the sale of salt and pasta products (other than canned pasta products) in metric packs. It is anticipated that during the next year or so similar consultations, followed by Orders, will take place, affecting about 50 more foodstuffs, including sugar and flour. In short, the changeover to metric measurement of everything on the supermarket shelf has already begun: some might say "without fanfare"; others "by stealth."

At the same time, some attention is being given to the protection of the consumer. The Metrication Board set up a "Consumer Safeguards Group" and heard its report. The Government set up a study group and, this week, published its report. Promises have been made in the House of Commons. Only one thing has been left out: action.

This needs some explaining. The Government's report, which is on "unit pricing," contains the reflections of Department of Trade and Industry and Ministry of Agriculture officials on this method of marking every package with their price per pound, pint, gram or litre. They conclude that the use of prescribed standard quantities—e.g. 250g., 500g., 1,000g.,—for packaging particular foodstuffs is in most cases more easily comprehended than unit pricing. The Metrication orders likely to appear over the next year will probably apply to goods sold in such standard units (as salt and spaghetti are now, by the lb. or 8 oz. pack).

Error

But the same officials acknowledge that "during metrication" there might be a case for unit pricing, even of goods sold in standard packs. In this way, a shopper could read on the pack of, say, flour, the price in both pence per pound and pence per 500g. In spite of this, no mandatory dual unit pricing is being provided for in the proposed Orders, as they stand. The hope is that voluntary agreements with the affected industries can be reached. This meeting of the interests of business rather than those of the individual was the cardinal error made during the change to decimal currency: it is being repeated now.

The same applies to the official attitude towards unit pricing of goods that cannot easily be sold by standard measure; the DTI report allows that "mandatory unit pricing could help to deal with these problem areas." but I bet half a pound to 227g of rice that we will still hear more about tests in which only a minority of shoppers used unit prices as a basis for comparison—even though the same results showed that once the "less privileged" can be made to understand the experiment they take full advantage of it.

What is needed if the change to metric measurement of groceries is not to be the same disaster as was the change to decimal money is new legislation, designed primarily to meet the needs of the consumer, that would enforce dual unit-pricing for all goods, including those in standard packages, for several years, while providing for a large-scale campaign of public information and the continued enforcement of unit pricing on goods not in standard packs after a set date. Nothing less will do.

THE LEX COLUMN

Index was unchanged at 417.7

Fairey and the learning curve

If the recent strength of the Fairey price—up 15 per cent. to 69p in the past week—has simply been in anticipation of the accounts, then there is room for disappointment this morning. A £366,000 property valuation surplus has no message for a market capitalisation of £11½m., but the make up of 1972-73's £2.1m. pre-tax, against the forecast of an unchanged £2m., is of interest. Land dealing profits are quantified at £217,000, and there is also a £135,000 currency bonus. More important is the appearance of a new item in the balance sheet —"learning and setting-up costs" of £386,000.

A separate definition from r and d, which is "written off as it is incurred," this relates roughly 50-50 to Britten-Norman aircraft and the medium girder bridge—products which are not covered by third party contracts: costs as defined are amortised over a pre-determined number of units and written off over a maximum period of five years. Where contracts *are* covered by third party contracts, the unamortised balance of these costs is included in work-in-progress and is unquantified. There is nothing new about this treatment, apparently and it plays no significant part in the rise from £6.2m. to £10.1m. in stocks and w.i.p. But there is a clear case for quantification, especially in this kind of business.

Meanwhile, a bank overdraft of over £5m. means that the debt ratio has more than doubled to nearly two-fifths of capital employed, and a published net cash flow of £1.8m. has to be related to the prospect of a substantial rise in learning costs on Britten-Norman this year, and to current year instalments of deferred liabilities amounting to £1.2m. Fortunately, there is plenty of confidence about profits growth both this year and, especially, next, with the anticipated swing from losses to profits in Fairey S.A.

L & G/Cavendish

The basic message of the price tag of £45m. at 140p a share cash being put on Cavendish Land by Legal and General must be about the extent of the rise in London property values since last September—particularly remarkable because that month roughly marked a peak in rental multiples which may since have been equalled but has not been surpassed. The September, 1972, revaluation of Cavendish produced a net worth of £22.6m. from a £43m. portfolio. L and G considers that portfolio is now worth over £65½m. (leaving the two office blocks bought off Cavenham for £11.7m. out of the picture).

This said, the niggling thought is that L and G could have bought Cavendish (it has 45 per cent. agreement) for significantly less—even if the properties would have cost £65m.-plus on the open market. In terms of gearing, there is only £5¾m. of funded debt with coupons below 10 per cent. As to developments, a programme costing over £50m. has been mooted, but the bulk of this waits on planning permission. The portfolio meanwhile takes in over 80 properties, including a sprinkling of industrial and residential ones, implying some management effort.

Given also that the September revaluation looked pretty full (with at least one multiple of 21 times a modern rental), the implication is that Cavendish shares would not be standing in the market at much over half the bid price: they were 77p at the beginning of July. So a cause for celebration to CL holders will be a prompter to L and G holders at least to take a close look at the formal offer document, when it comes.

Brown & Albany

Brown Brothers and Albany has shown a reasonably steady performance against the market since the uninspiring 1972 figures in April, and there are no complaints about the 1973 interim—profits over a fifth higher at £1.66m. before convertible interest. But with sales under a tenth higher, this is once again a story of improved wholesaling margins: with a prospective return on capital of well over 25 per cent., the question of BBA's growth status becomes more relevant.

With the help of improved stock control systems, the group reckons that there is plenty more to be squeezed out of wholesaling—roughly four-fifths of sales. Moreover, sales growth has apparently started to accelerate over the past few months. But with a fully diluted 1973 p/e of maybe 13 net, the shares at 42p may have to rely on management or, possibly, bid stories for any kind of excitement.

Mather and Platt

Mather and Platt's optimism in the last report, and talk of a one-fifth rise in first quarter orders, produced market expectations which are hardly fulfilled by half-time profits up merely from £1.153m. to £1.157m. before tax—hence a 7p drop in the share price to 66p. Although the 19 per cent. growth in sales appears to paint a fair volume picture, trading margins have been squeezed and money costs have almost wiped out the 8 per cent. gain at the pre-interest level. The problem of borrowing costs could get worse as Mather expands its overdrafts to cope with the surge of stock and work in progress in line with an order book half as large again as last year, and there is bound to be renewed talk of the rights issue possibilties. All the same, the chances are that earnings growth will now gather momentum.

Despite burgeoning orders in the first half, Mather's capacity expansion and a nine-month lead time left it rather short of work in some sections. But now the foundries are on night shift and the acceleration is coming through to the workshops which should exaggerate the normal seasonal bias towards the second half. Even so, the group will do well to raise the full year's pre-tax total by more than a tenth to £3.3m. and a corresponding p/e of 10 needs to see growth extending into next year despite increasing shortages of labour and materials; however, the fire protection side—about half the business—is blown some good by the ill wind of the latest fire damage figures.

Cut-price Trident Petrol ceases trading

BY RAY DAFTER

TRIDENT PETROLEUM, an independent, cut-price petrol company with some 200 outlets, ceased trading yesterday. It claimed it had been a victim of the international oil price and supply situation.

The collapse of Trident after six successful years of operation, during which turnover grew to £5.5m., underlines the anxiety being felt by a comparatively small group of independent companies supplying about 2,000 sites.

Mr. Stewart Harris, Trident's director and chief executive, said that in the last few months the company had been trading at an appreciable loss. Because of the general world oil supply situation it had been paying very high prices for refined products from the Continent.

To make a profit the company would have had to increase petrol prices by 4p to 5p a gallon, but this would have been commercial suicide in a market dominated by major oil companies, who are in turn controlled by the Government's pay and price code. The majors also have more control over the price of their own refined products whereas independents like Trident, relying on the spot market, had to contend with more volatile prices.

Mr. Harris said that recently he had been paying $86 a tonne for four-star grade petrol, whereas the break-even point was regarded as $60. At one time he was paying as much as $112 per tonne.

The future of the 200 "Trident" garages was doubtful last night. Only four are owned by the company, the remainder being independently owned and supplied on a contractual basis. Some may be taken over by major companies, but many without a prime site advantage, are likely to close. Other independent companies are not in a financial position to expand at present.

A liquidator is to be appointed and the 75 staff of Trident have been served with their redundancy notices.

Last year the company made a pre-tax profit of £25,000 after directors' emoluments; while the previous year its profit was around £30,000. It had a growth rate of 25 to 30 per cent. annually.

Difficulties facing the company started this year as the 70,000 tonnes of oil it distributed became more expensive to buy and more difficult to obtain. An unnamed major company in Britain helped out with supplies for a month but was unable to continue on a regular basis.

Shell-Mex and BP was also asked to provide stocks, but it told Trident's suppliers — Tampimex Oil Products, of London, that it could not provide the amounts needed.

Tampimex, which is ceasing to supply the British market with Continental refined products for the time being, said last night that during recent months it had shared with Trident losses caused by the disparity between U.K. and Continental prices.

"The company's closure is a great shame. It is nobody's fault. It has been forced out of business by Government action. Circumstances have been too strong for both of us," a spokesman said.

News Analysis Page 9

TUC leaders split over Labour plans for nationalisation

BY JOHN ELLIOTT, LABOUR EDITOR BLACKPOOL, August 30

LABOUR PARTY plans for the nationalisation of major compaines to-day led to a split on the TUC general council at the start of two days of meetings in advance of next week's annual Trades Union Congress.

Other contentious issues — talks with the Government, the Industrial Relations Act and the Common Market—were shelved by the union leaders until to-morrow and the week-end; meanwhile attempts will be made to bridge policy differences.

The Left-wing leaders of the country's two largest unions, Mr. Jack Jones (transport workers) and Mr. Hugh Scanlon (engineering workers) are trying to patch up their clashes over talks with the Government. Even if they succeed however, resolution from the engineering workers' technical section rejecting talks will remain on the agenda and will presumably be opposed by the transport workers.

A further row will emerge over the Common Market with the Left-Wing uniting behind a hard line anti-EEC resolution.

The split over nationalisation came as a result of a call from the engineering workers' construction section supporting the Labour Party's programme of nationalisation of the key industries and for nationalisation of the major monopolies including the banking, financial and insurance institutions.

This is not yet official Labour Party policy but is contained in the Party's contentious "green paper" which advocates nationalisation of 25 major companies. This will be debated at Labour's annual conference here in a month's time.

A number of TUC leaders today objected to the Left-wing attempt by the engineering workers' construction section to force the issue. Broadly they also take the view that the document's aims on the 25 companies are not in the best General Election interests of the Labour Party.

They therefore attempted to get the general council to oppose the engineering workers' call—but failed with a 20-12 vote.

The TUC's annual congress next week will now have a choice of supporting the engineering workers' hard line or opting for a more general resolution from the Sheet Metal Workers simply, pledging support for "the programme of the Labour Party on the further nationalisation of key industries."

Hand-over at TUC Page 20

Defence cost over-runs attacked

BY JOHN GRAHAM

THE GOVERNMENT'S defence contracting procedures are criticised by the Commons Public Accounts Committee in a report published yesterday following three more or less severe cost over-runs in the last five years.

Two of the contracts were placed in 1968 with British Aircraft Corporation for a radar tracker and the Seawolf missile. The third contract was with Redifon Air Trainers (RATL) in 1967, for a flight simulator complex, with an option on three more.

The estimated increases in costs were as follows: for the radar tracker, from £9.5m. in 1968 to £30m. in 1972; for the missile, from £17m. to £27m.; and for the flight simulators from £6m. to £7m., although there was also a 3½-year delay in delivery. The contracts were of different types, including one innovation, but they all revealed technical and legal weaknesses in the existing procedures.

In particular, the committee distrusts the Ministry of Technology's liking for prime contractor arrangements. These do not appear "either to have reduced cost inflation, which is so often a feature of development contracts, or to have prevented the occurrence of sub-contractorship problems in which the Ministry have had to intervene."

The committee considered that the use of a prime contractor "should be approached with circumspection, and that particular attention should be paid to the ability of a prime contractor to monitor and control the work of his sub-contractors."

This arises from the experience of the RATL contract. It was sub-contracted to Elliotts, who began to have trouble.

By mid-1969 there was already a delay of two years forecast, and a dispute arose over whether Elliotts, as it claimed, was contracted to provide work on the first of the four complexes, or on all four, as RATL claimed.

Because of the prime contract system, the Ministry could not seek damages for delays from Elliotts except through RATL.

Since the contracts with RATL did not provide for liquidated damages, any claim would have to rest on actual damages at common law. The Ministry did not pursue, "because they could not make a substantial precise assessment of the damages which could be claimed and sustained in court."

When the GEC group (which had taken over Elliotts) informed the Ministry that work would have to stop unless the price could be increased, the Ministry was in what the committee recognises as a dilemma. It would have to concede higher prices, or accept further and unpredictable delays while the dispute was resolved and the damages assessed.

This is the strongest argument the committee makes against the prime contractor system, concluding thus:

"We are surprised and disquieted that the Ministry should have found themselves in such a difficult situation, and we hope that they will be able to find a way to strengthen their contractual arrangements so as to avoid any recurrence of such an unhappy story."

Details Page 12
Editorial comment, Page 29

Continued from Page 1

Institute opposes easing of curbs

brought down to the 7 per cent. figure the rise in consumer prices would be reduced to about 4½ per cent. between the last quarters of 1973 and 1974.

On the general macro-economic scene, the Institute sticks to the view expressed in May that fears of overheating have been exaggerated.

The Review gives three main reasons why the growth of the economy should slow down from a forecast 6½ per cent., between 1972 and 1973 to about 3 per cent., between this year and 1974.

They are: (1) the deflationary effect on consumer spending of a 25 per cent. rise in import prices this year; (2) the sharp slowdown in public spending projected for 1974; and (3) a more modest revival in stockbuilding than had earlier seemed likely.

Although world trade is expected to slow down next year, the Institute forecasts that the volume of U.K. exports—assisted by the recent devaluation—will still grow fairly sharply.

Bacon and egg prices at new peaks

By John Edwards

NEW RISES in the wholesale prices of eggs and bacon to record levels were announced yesterday. The increases, which should affect shop prices next week, will add about 2p a dozen to eggs and an average of 2p per pound to bacon.

Shortages of supplies and the steep rise in the cost of animal feeding stuffs are blamed for the higher prices of both foods, which are now above the peak levels reached in May.

Egg producers warned yesterday that prices will likely to continue to rise until the seasonal peak at Christmas. The wholesale price for large eggs from the major suppliers has now reached 32p a dozen, meaning at least 35p in the shops.

Last year at this time the wholesale price for large eggs was about 16p a dozen.

Denmark's rise

Denmark is reported to have led the new move up in bacon, lifting its price on the London and National Provision Exchange by £40 to £680 a ton, £10 above the previous record in May. A further tightening of supplies is expected with demand for pork on the Continent very strong and supplies of pigs available for bacon falling. British producers have quickly followed the Danish lead since there has been growing unrest among pig producers facing losses as a result of the steep rise in feed costs.

It is claimed that higher bacon prices are needed to offset the rise in production costs and keep up supplies of pigs.

In August last year bacon prices on the Provision Exchange were between £420-£435 a ton.

There has also been this week a rise in the first hand price of broiler chickens to a range of 19.5p-23p a pound—a new peak level. This compares with a range of 14-15.5p a pound at the same time last year.

New threat to national newspapers

By John Wyles, Labour Staff

A FURTHER confrontation which could affect the production of national newspapers was threatened last night after the breakdown of talks on the industry's threshold pay dispute.

A day-long meeting between the Newspaper Publishers' Association and four printing unions failed to agree on any proposals for settling the dispute which cost the production of nearly 5m. national and Sunday newspapers late last month.

Mr. Joe Wade, assistant general secretary of the National Graphical Association, said after the talks that the union's members in London and Manchester would be consulted next week. He expected a recommendation "for some form of action" would then be put to the NGA executive.

Representatives of the other three unions taking part in yesterday's talks—the Electrical and Plumbing Trades Union, the Amalgamated Union of Engineering Workers and SLADE (the process workers)—would also be reporting back to their members.

Yesterday's meeting was a resumption of Friday's talks when the unions put their "final" proposals to the newspaper employers. These asked for the payment into a bank account of wage increases due to print workers from July 1 under a cost-of-living threshold agreement, but blocked by the Government's Pay Code.

The NPA said yesterday it could not guarantee, as the unions wanted, that the money would be paid to the workers before the expiry of the present wage agreement in September, 1974, because of the Government's pay policy.

Following these discussions a joint working party met yesterday afternoon but, according to an NPA spokesman, failed to produce any new proposals.

Filmer Paradise to leave BL

BY JAMES ENSOR

MR. FILMER PARADISE, sales director of the Austin Morris division of British Leyland, has decided not to renew his contract with the company.

He has been sales director of the division since the merger of British Leyland in 1968. During that time, he, with the managing director, Mr. George Turnbull, and the chief engineer, Mr. Harry Webster, succeeded in transforming its fortunes.

Mr. Paradise's decision to leave will be a major blow to British Leyland. His work in reshaping the scattered Austin Morris sales network into a stronger force and the planning of the current car range (which has been almost entirely renewed) has played a major role in the recovery of British Leyland.

Progress

The Austin Morris division has made more progress in the past five years than any other part of the corporation. The turnround in its financial fortunes has been considerable. Without this, British Leyland as a whole would be barely profitable.

Mr. Paradise's reasons for leaving have not been disclosed. A short BL announcement merely said that he was leaving the corporation "in accordance with previously agreed arrangements."

It added: "The chairman and directors of BL regret the departure of Filmer Paradise, and wish him well in the future he has chosen." Within the corporation last night, it was being stressed that he was leaving on a completely friendly basis.

It is thought that Mr. Paradise has not been happy about some aspects of sales policy as it has developed in the past year.

He has always advocated an overall sales direction for British Leyland. Instead, the international division of British Leyland has been considerably strengthened.

Mr. Paradise, who has always been an admirer of Mr. Turnbull, was disappointed when the finance director, Mr. John Barber, was nominated as the likely eventual successor to Lord Stokes as head of the company. This has been seen inside Austin Morris as an indication that the progress the division has made has not received proper recognition.

In the next two years, the bulk of British Leyland's investment spending which has been concentrated on Austin Morris will switch away to the specialist car and truck divisions. Clearly this makes the sales outlook for Austin Morris less attractive than it might be.

Mr. Paradise is a man of great energy, and has held a succession of challenging jobs. Before becoming sales director of Austin Morris, he was head of Continental marketing for British Motor Holdings where he started to establish an integrated sales network.

He has made no definite plans to take up a new position after October 1 when he will leave British Leyland.

APPROVAL SOUGHT FOR 'MINI-TOWN'

Plans were announced yesterday for a £20m. "mini-town" near Lichfield, Staffs.

A Midlands consortium wants to build 2,000 homes on 335 acres of agricultural land near Lichfield by-pass to extend the city's population by 8,000. Planning approval is being sought.

Weather

U.K. TO-DAY

MOSTLY DRY with s... in England and Wale... some rain, in Scotla... Ireland.

London, S.E., and ... England, E. Anglia, ... Dry, variable cloud, ... Wind N.W., becom... moderate. Max. 22C (...

Channel Is., S.W., N.W. ... N. England, W... Mainly dry, becom... Fog and drizzle over ... W., becoming S.W., m... creasing fresh. Max....

Lakes, I of Man, S.W. ... Scotland, Glasgow, ... lands, Argyll and N... Cloudy, occasional ... hill fog. Wind S.W., ... haps gale in places, ... (61F).

N.E. England, Bord... burgh and E. Scotland ... and Moray F... Cloudy, occasional ... S.W., fresh, or strong ... (63F).

Caithness, Orkney an... Cloudy, occasional ... S.W., strong, or gale ... (59F).

Outlook: S.E. En... become warm and s... wise cloudy with rain...

Lighting-up: Lond... Manchester 20.33, Gla... Belfast 20.50.

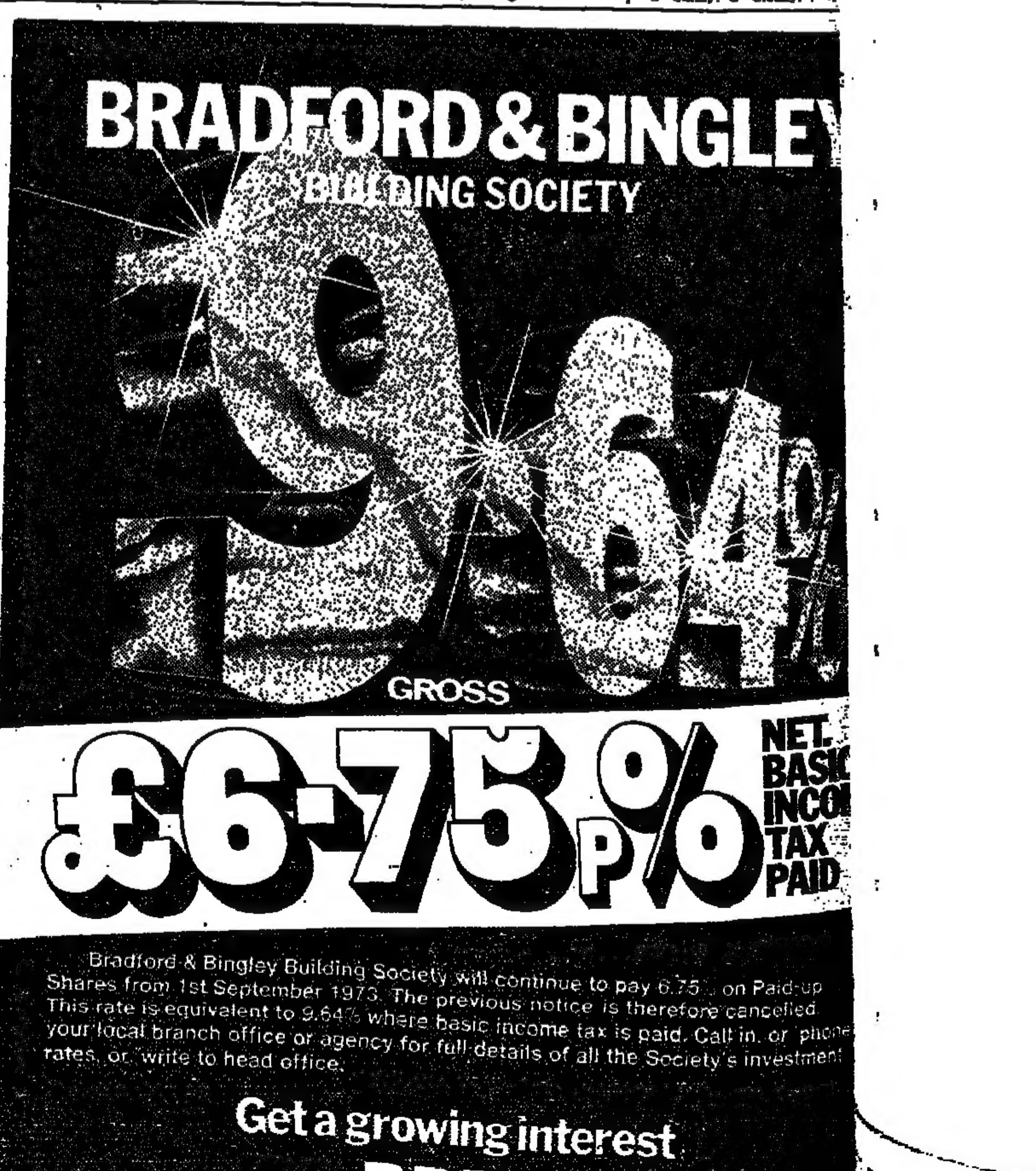
BUSINESS CEN...

		Y'day Mid-day °C	°F
Alexandria	S	29	84
Amstrdm.	C	19	66
Athens	C	26	79
Bahrain	S	37	100
Beirut	C	29	84
Belfast	R	16	61
Belgrade	C	20	68
Berlin	C	18	64
Birmghm.	C	17	63
Bristol	C	17	63
Brussels	C	20	68
Budapest	C	24	75
B. Aires	S	13	55
Cairo	S	32	90
Cardiff	C	16	61
Cologne	R	17	63
Copnhagn.	R	16	61
Dublin	F	17	63
Edinb'rgh	C	15	59
Frankfurt	C	20	68
Geneva	F	22	72
Glasgow	F	16	61
Helsinki	F	18	64
H. Kong	R	25	77
Jo'burg	S	20	68
Lisbon	S	28	82
London	C	19	66

HOLIDAY RES...

		Y'day Mid-day °C	°F
Ajaccio	S	26	79
Algiers	S	30	86
Barcelona	F	27	81
Biarritz	C	21	70
Blackpool	F	15	59
Bordeaux	F	18	64
Boulogne	C	18	64
Casablnca.	S	27	81
Cape Tn.	C	15	59
Corfu	C	25	77
Dubrovnik	R	21	70
Faro	S	26	79
Florence	S	26	79
Funchal	S	25	77
Gibraltar	S	24	75
Guernsey	F	16	61
Innsbruck	F	23	73
Inverness	C	15	59
Istanbul	F	31	88

S—Sunny. C—Cloudy. F—F...



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